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U.S.-Soviet Impasse On START Treaty

**Baker and Gorbachev Fail to Agree,
But Neither Side Talks of Breakdown**

By Thomas L. Friedman
New York Times Service

MOSCOW — Despite five hours of negotiations in the Kremlin on Friday, Secretary of State James A. Baker 3d and President Mikhail S. Gorbachev were unable to bridge all their differences holding up several arms control agreements, U.S. officials said.

Immediately following the Baker-Gorbachev morning meeting, both Mr. Baker and the Soviet foreign minister, Eduard A. Shevardnadze, referred to "progress" having been made on the main issues blocking a treaty that would limit long-range nuclear weapons. Both sides have hoped to have the treaty basically concluded in time for the summit meeting in Washington, which begins May 30.

U.S. officials said, however, that when the Soviet and U.S. arms control experts reconvened in the late afternoon and early evening Friday, and began working through the details, the "progress" seemed to vanish.

Mr. Baker, who had been scheduled to leave Saturday morning, delayed his departure until Sunday afternoon so that he could meet again with Mr. Shevardnadze. U.S. officials said that the Soviet negotiators walked back from where they thought Mr. Gorbachev had left things in the morning.

No Soviet officials were available to confirm or deny this version of the day's events, or to indicate whether it may have been the United States that was being obstinate.

But neither side was speaking about a breakdown in the talks. On the contrary, teams of arms control experts from both countries were continuing their talks late into the night in an effort to overcome their differences not only on a START treaty limiting strategic arms, but also on treaties reducing conventional weapons in Europe and chemical arms.

"We're working hard," said a senior administration official who briefed reporters Friday. "They're working hard. Maybe we'll get

there. Maybe we won't. If not, it is not the end of the world. The gaps are not seen as unbridgeable, but I cannot tell you we are there yet."

Toxic Arms Disagreement
A senior U.S. official disputed a statement by Mr. Shevardnadze that major progress had been achieved on an agreement under which both sides would destroy the bulk of their chemical weapons, news agencies reported.

Last week, President George Washington steps demanding that its NATO allies raise military spending by 3 percent. Page 2.

Bush offered to halt U.S. production of chemical weapons if the Soviet Union was willing to schedule the destruction of its toxic gas stockpiles.

"We're not finished on chemical weapons," the official said Friday.

He said Mr. Baker had sent a letter to North Atlantic Treaty Organization allies outlining new Western positions in negotiations on a treaty aimed at reducing the levels of troops and conventional arms in Europe.

These negotiations have bogged down recently, denting the optimism of many European nations that had hoped to see the agreement signed by the end of the year.

Mr. Baker and Mr. Shevardnadze, meanwhile, are trying to reach an outline START agreement to meet a target set by Presidents Gorbachev and Bush at their Malta summit meeting in December.

The two leaders agreed to work toward a treaty that would cut U.S. and Soviet arsenals of some long-range nuclear missiles by up to 50 percent, before their May 30-June 3 meeting in Washington.

The secretary of state had planned to hold a news conference Saturday and then fly home. Instead, he scheduled another meeting with Mr. Shevardnadze.

Mr. Shevardnadze added to the early optimism Friday, saying the

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The Two Germanys Sign for a Single Economy

By Marc Fisher
Washington Post Service

BONN — The two Germanys on Friday took their first official step toward becoming one country by agreeing on a treaty that scraps East Germany's Communist system and creates a single German economy.

In a festive ceremony at the desk of the first West German chancellor, Konrad Adenauer, the two German finance ministers signed a 114-page document that in many ways spells the end of East Germany's four decades of separate existence.

"What we are experiencing here is the

birth of the free and united Germany," Chancellor Helmut Kohl said before adjourning to the terrace of Schanzenberg Palace in Bonn to sip German sparkling wine with the East German prime minister, Lothar de Maizière.

The unification of the two German currencies, economies and social security systems — all of which is to happen July 1 — makes the complete merger of the countries "irreversible," Mr. de Maizière said at the ceremony, which was televised in both Germanys.

The treaty details the legal changes involved when West Germany takes control

of everything from banking to how much the East German government can spend.

East Germans will give up their nearly worthless currency in exchange for the Deutsche mark, their ticket to the consumer society. East Germans will pay West German taxes, get West German unemployment checks and buy largely West German goods.

Calling the treaty a "great work" and a "compromise," Mr. de Maizière counseled East Germans to accept that their country had to give up its independence. Only hours before the treaty was signed, Mr. de Maizière relented on one of his most stead-

fast positions, agreeing to let Western investors buy East German land and buildings.

"No one should forget what the East mark would really be worth in a free market," the prime minister said. "We could not and cannot continue as before."

"Which country in Eastern Europe," he asked, "will get as good a start as we do with this treaty?"

Mr. de Maizière's appeal stems from rising concern that East Germans are souring on the economic union, which threatens

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Toasting the signing, from left, Mr. de Maizière; Mr. Kohl; Walter Romberg, East German finance minister, and his West German counterpart, Theo Waigel.

East Germany: 'Snuffing Out Our Own Existence'

Washington Post Service

BONN — Six months ago, Chancellor Helmut Kohl announced a 10-point plan for German reunification. Putting Germany back together again after 42 years of division, he said, would be a complicated and historic process, lasting several years and going through distinct stages.

At that time, no one could foresee the rush of events that would give East Germans their first free vote in 57 years, elect a conservative government allied with Mr. Kohl's party, and bring about broad international acceptance of German unity.

Now, less than seven months after the

opening of the Berlin Wall, the two Germanys are already united in many crucial ways.

"We still have a constitution, but in practice it [is] virtually worthless," the East German daily *Junge Welt* wrote in an editorial. "We are effectively snuffing out our own existence."

Here is where the reunification process stands:

• Economic and monetary union: On July 1, the Deutsche mark, the powerful anchor of most European currencies, will replace the East German mark as the money of all Germany.

But much more than money will merge on that day. The entire East German economy will be subsumed into the West German system — everything from wages to pensions to prices.

The result is expected to be widespread business failures and unemployment in the East as bloated and subsidized state-run East German enterprises find it impossible to compete with West German companies. The Bonn government expects that Western investment in the East will quickly begin to balance out the initial shock.

• Paying for reunification: Part of economic unity is the assumption of East Ger-

many's heavy debt by the Bonn government. West Germany announced this week that East Germany was likely to run a \$20 billion deficit for the second half of this year and is likely to have a \$32 billion deficit for next year. The overthrown Communist regime had kept such figures secret.

Under the reunification treaty initiated Friday, Bonn immediately takes control of East German spending, setting strict limits on the credit that East Germany can seek. Bonn announced the creation of a \$70 billion unity fund this week designed to

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Kiosk

Contras Stop Disarming

MANAGUA (Reuters) — The contra rebels said Friday that they were indefinitely suspending an accord to disarm, asserting that the new government of President Violeta Barrios de Chamorro was not complying with the agreement.

The statement, released in Managua, said the rebels would not continue disarming until they believed Mrs. Chamorro could guarantee the economic and physical security of rebels who had handed over their arms.

Acquittal in N.Y.

NEW YORK (AP) — Keith Mondello was acquitted of murder and manslaughter charges Friday in the Bensonhurst racial killing. But a jury convicted Mr. Mondello, the alleged ringleader of the white gang that killed a 16-year-old black youth, on lesser charges of riot, unlawful imprisonment, discrimination, menacing and criminal possession of a weapon.

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General News

The Sardinians strike broke the transition pact reached after the election. Page 5.

Crossword

Down	Across
1. 2, 10, 15, 17, 20, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100	1. 2, 10, 15, 17, 20, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

Losing Faith in Mao and Marx, Chinese Increasingly Despair

By Nicholas D. Kristof
New York Times Service

BEIJING — The secular age of faith appears to have collapsed in China, turning into a time of despair and doubt in which many people have no heroes and nothing to believe in.

When Chinese bare their souls to foreigners these days, they sometimes speak of a "spiritual crisis" that they blame for increases in

petty crime, as well as for a disintegration of social values and cohesiveness.

This sense of emptiness and purposelessness has been on the rise in recent years, but many Chinese in different parts of the country said it has become particularly acute since the suppression of the democracy protests last June.

"We need to believe that Chairman Mao or Deng Xiaoping could solve our problems," said a dis-

grunt Communist Party official in Beijing. "But now we've lost hope. Now there's nothing for us to believe in."

In the central Chinese city of Chengdu, a young university teacher searched for a way to explain her malaise. "There's nothing left," she said. "We feel an emptiness."

A university student in Beijing said some of his friends were turning to Christianity and Buddhism as a new source of moral values.

"Without doubt there's a spiritual crisis in China," he said. "I don't have any friends who believe in Marxism now. Even my parents don't believe in Marx or Deng anymore. There's a vacuum."

"This also existed in the 1980s," the student added. "But then we could live by our dreams. My friends and I dreamed of studying abroad, of working for joint venture companies, of going south to make more money. Since June 4,

those dreams have died, and now we have nothing to live by."

Not everyone is so melancholy, and many people continue to be absorbed by the challenges of daily life rather than by existential crises.

For all the concern about the effects of nihilism on society, the impact so far has been confined mostly to petty vandalism, thievery, a relatively minor drug problem and aggressive discourtesy.

China's family structure is in-

tact, crime is low by Western standards, and people continue to marry, find jobs and go about their daily lives pretty much as ever. But the texture of life seems grayer, and gloomier, particularly in the cities.

In the countryside, where about three-fourths of Chinese live, peasants are usually more absorbed by fluctuations in weather than in politics, and in any case regarded

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A Mining Town as Flash Point

Pretoria and Unions Try to Head Off Clash After Killings

By David B. Ottaway
Washington Post Service

WELKOM, South Africa — This mining town, which accounts for 27 percent of South Africa's total gold production and 21 percent of the entire non-Communist world's, is fearful of becoming a racial flash point for the entire country.

The South African government and black and white union officials tried Friday to head off a racial explosion following the killing of two white mine officials and the wounding of 14 black protesters on Wednesday.

Law and Order Minister Adriaan Vlok held meetings with mine officials, union leaders and police and army officers in a bid to lower tensions as police reinforcements and the army rushed in to strengthen security on the mines and in Welkom.

The town already was extremely tense because of a black boycott of white businesses and an upsurge in white vigilante activity.

Any serious disruption of work at the mines would quickly affect

South Africa's foreign-exchange earnings.

The government may also be particularly sensitive to the events taking place in Welkom because President Frederik W. de Klerk is on a tour of nine Western European nations. Mr. de Klerk is seeking to persuade European leaders that the "new South Africa" he has promised is at hand and that sanctions should be lifted.

The seriousness of the situation in Welkom has been underlined by the personal attention Mr. Vlok has devoted to it. He is making his second trip to the town in a week and the third in two months.

South Africa's two most important black union leaders, Jay Naidoo, and Cyril Ramaphosa, arrived Thursday in Welkom. Mr. Naidoo, general secretary of the Congress of South African Trade Unions, and Mr. Ramaphosa, general secretary of the National Union of Mineworkers, met Friday to discuss ways to avoid a further deterioration in relations between Welkom's black and white communities.

But even as the meeting was tak-

ing place, a white assistant mine manager was stoned by blacks and injured while driving past the President Steyn Mine premises, where the clash took place on Wednesday.

Freegold South, a division of Anglo-American Corp. operating President Steyn Mine, has closed a part of the mine until its 300 white and more than 3,000 black miners agree to sign a formal statement pledging to end all acts of violence.

The incident was apparently set off by the dismissal of 31 black miners for unruly behavior and wearing clothes printed with African National Congress slogans.

According to the mine officials, the deaths occurred when a group of about 35 black mine workers, some of whom had recently been dismissed, approached another group of company officials outside the mine, shouting ANC slogans and insults, throwing stones and threatening them.

Six white security officials shot rubber bullets and one of them fired a 9mm pistol to disperse the workers, who then turned on whites

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Mine security officials guarding the President Steyn Mine after the killing of the two mine officials.

Lithuania Fears New Sanctions

**Moscow Sends
Troops to Baltics
To Stop Rioting**

By Michael Dobbs
Washington Post Service

MOSCOW — The Lithuanian prime minister sought Friday to enlist world opinion to support Lithuania's refusal to suspend its declaration of independence in response to economic and political pressure from Moscow.

Prime Minister Kazimiera Prunskiene, addressing a news conference in Moscow after a one-hour meeting with the U.S. secretary of state, James A. Baker 3d, also said that the Kremlin was threatening to take even tougher sanctions against Lithuania "unless we behave intelligently."

She praised Mr. Baker for adopting what she described as a "very constructive" position.

[The official Soviet press agency, Tass, said special Soviet troops were being sent to Estonia and Latvia to help keep order after rioting in the republics' capitals. Reuters reported from Moscow. Tass said the soldiers would reinforce local garrisons, beefing up patrols and traffic controls. It did not say how many troops would be involved.]

[Tension was also reported Friday in Lithuania. The Associated Press reported Soviet soldiers shot a youth trying to enter a military compound, and helicopters dropped leaflets proclaiming: "Down with the government of separatists. Long live Soviet Lithuania." Supporters of independence gathered around the Lithuanian parliament building in the capital, Vilnius, to block any attempt by pro-Soviet forces to occupy it, said Eduardas Potashnikas, an editor at Lithuanian television.]

Despite a meeting on Thursday between Mrs. Prunskiene and President Mikhail S. Gorbachev, there remain important differences between the two sides on how to resolve the 10-week crisis caused by Lithuania's attempt to secede from the Soviet Union.

The Lithuanians are ready to freeze the enforcement of their March 11 declaration of independence, but are not willing to agree to Moscow's demand that the declaration itself be suspended to allow negotiations to begin.

The argument is not just a question of semantics. The Kremlin is, in effect, demanding that Lithuania recognize that it remains an integral part of the Soviet Union and that it will be governed by Soviet laws, including a restrictive law on secession.

The Lithuanians insist on a guarantee that negotiations with Moscow will ultimately lead to the restoration of the independence they lost by Soviet annexation in 1940.

The Lithuanian parliament will meet in a special session on Saturday to debate the suspension of legislation that has aroused the greatest concern in Moscow, including a law prohibiting Lithuanian citizens from serving in the army of a "foreign power."

The Kremlin will then decide whether to lift the partial economic blockade of Lithuania ordered last month by Mr. Gorbachev.

Lithuanian officials who attended the meeting between Mrs. Prunskiene and Mr. Baker said that the secretary endorsed Lithuania's position on several of the most important differences between Vilnius and Moscow. They said that Mr. Baker had expressed a readiness to support Lithuania's request to join the 35-nation Conference on Security and Cooperation in Europe.

Lithuania's vice president, Česlovas Antanavichius, said he had asked Mr. Baker at the meeting to outline the U.S. position on Lithuania's declaration of independence. He quoted the secretary as endorsing Lithuania's position on suspending enforcement of legislation on independence rather than the declaration itself.

U.S. officials refused to disclose the details of Mr. Baker's discussions with Mrs. Prunskiene and other members of the Lithuanian delegation. A U.S. spokesman said

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\$160 Million? For 2 Paintings Like That, Says the Buyer, 'the Price Was Cheap'

By Fred Hiatt
Washington Post Service

TOKYO — The man who had just bought the world's most expensive painting for \$82.5 million, and then turned around to buy the world's second-most-expensive painting for \$78.1 million, stood at the front door of his elegant Japanese home in shirtsleeves and stocking feet.

"Of course they are worth it," said Ryoei Saito, 74. "For paintings like that, the price was cheap."

Mr. Saito, an art collector and paper-manufacturing magnate all but unknown to the Western art world until Stavros Niarchos, the Greek shipping magnate, and the handsomely endowed

Gretty Museum for the two Impressionist paintings.

At Christie's auction house in New York on Tuesday, Mr. Saito paid a record \$82.5 million for Van Gogh's "Portrait of Dr. Gachet."

The next night at Sotheby's, Mr. Saito paid \$78.1 million for a version of Renoir's "Le Moulin de la Galette," more than anyone had ever paid for a work by the artist.

For the Van Gogh, Mr. Saito had instructed his representative, Hideo Kobayashi, a gallery owner, to pay whatever it took to acquire the painting.

For the Renoir, his instructions had been not to go much above \$100 million.

"The mainstream of my collecting has been modern Japanese artists," Mr. Saito said Friday. "But it just happened that both these masterpieces were available at auction this week. So I bought them."

"If other good ones become available," he added, "I will buy more and more."

In 1961, Mr. Saito inherited from his father a medium-sized company, Daishowa Paper Manufacturing Co., and turned it into a company with nearly 6,000 employees, annual sales of more than \$2 billion and subsidiaries in

Australia, Canada and the United States.

He has established something of a dynasty in Shizuoka Prefecture, near Mount Fuji, where the company is based.

His brother is governor of the prefecture and a son represents it in the Diet, or parliament. While Mr. Saito remains honorary chairman of Daishowa, another brother is chairman and his oldest son is president. There are seven Saitos among the company's top executives.

The family is said to own at least 10 percent of the publicly traded company. In 1982, when Japan's paper industry overextended itself and got into trouble, Mr. Saito had to step down. Sumitomo Bank took over the running of the company, and Mr. Saito had to sell most of his art collection, an aide said.

But Mr. Saito returned in 1986 to take control of Daishowa. In 1989, he ranked 32d on the national list of top taxpayers, paying more than \$5 million in income tax.

Now, he said, it is time to rebuild his collection.

Asked about criticism of newly rich Japanese driving up prices and driving out competitors in the art market, he shrugged.

"Those who say such things will say them no matter what I say," he said. "But the value of these paintings will be understood in 50 or 100 years. If I don't buy now, this art will never come to Japan."

But Mr. Saito said he had not decided what to do with the paintings.

His brother, the governor, was on his mind when he bought them, he said, as was his Shizuoka Art Museum, which is "a bit desolate, with few eye-catching pieces."

But the Shizuoka Museum, created four years ago, is not ready for these paintings, he said, and his collection is not yet adequate to display.

"Two is not enough," he said, adding that he would be looking for other "bargains" at auctions.

Mr. Saito said he also owned a Chagall, which he bought in Nice nine years ago, and five paintings by Andrew Wyeth, as well as contemporary Japanese works.

Shigehiko Togo, a Washington Post special correspondent, contributed to this article.

A White Guilty in N.Y. Murder

Jury Was Split on Who Fired Fatal Shot in Racial Attack

By Howard Kurtz
Washington Post Service

NEW YORK — A 19-year-old construction worker has been convicted of the murder of a black teenager in one of New York City's most explosive cases of racial violence.

After 10 days of deliberation, a Brooklyn Supreme Court jury convicted Joseph Fama of murder with depraved indifference for human life in the death of August of Yusuf K. Hawkins, 16, of the Bensonhurst section of Brooklyn.

The shooting of Mr. Hawkins, who had gone to Bensonhurst with three black friends to look at a used car, stunned New Yorkers by its viciousness and set off protests, some of them violent. It also was thought to contribute to the election of David N. Dinkins as the first black mayor of New York.

The jury acquitted Mr. Fama of intentional murder, saying it was divided over disputed testimony that he fired the fatal shot. Both second-degree murder charges carry prison terms of 25 years to life.

The jurors — three blacks, two Hispanics, six whites and a person of East Indian descent — acquitted Mr. Fama on a charge of second-degree weapons possession relating to the prosecution's contention

that he was the gunman. Mr. Fama was convicted of third-degree weapons possession and 11 counts of riot, menacing, discrimination and unlawful imprisonment.

Justice Thaddeus E. Owens told the jurors this week that Mr. Fama could be convicted of murder even if they found that he did not fire the fatal shot, as long as he was seen as "acting in concert" with the group of more than two dozen whites who pursued Mr. Hawkins.

Jurors said Thursday night that some of them believed that Mr. Fama was the gunman but others did not.

Several jurors said in interviews that they did not believe a key prosecution witness, Frankie Tighe, but not because he is a former mental patient. He is the only person who said he saw Mr. Fama shoot Mr. Hawkins.

Unknown to the jury, Mr. Tighe, who has a history of hallucinations, later recanted his testimony in a videotaped session with Mr. Fama's lawyer, saying he only imagined being present at the shooting. The tape was not allowed into evidence.

With key witnesses discounted, it was clear that the instructions by Justice Owens were crucial to the conviction. Mr. Fama's lawyer, De-

vid DePieris, said his client had been convicted because the judge's instructions to the jury were "substantially one-sided."

A second jury is deliberating murder and manslaughter charges against Keith Mondello, 19, who the prosecution alleges was the leader of a group that wielded baseball bats and backed Mr. Hawkins into a doorway before he was shot.

Testimony at Mr. Fama's trial was marked by what a prosecutor called "Bensonhurst amnesia" among some residents in the tightly knit Italian community.

Witnesses said that Mr. Mondello had exchanged angry words with his former girlfriend, Gina Feliciano, about her plans to invite several black and Hispanic friends to her 18th birthday party.

Mr. Mondello then rounded up about 30 friends at the candy store beneath Miss Feliciano's apartment, telling them that her friends were coming to beat him up. Into this charged scene walked Mr. Hawkins, who had taken the subway from the East New York section of Brooklyn and was mistaken for a guest of Miss Feliciano's.

A melee erupted outside the courthouse among journalists and people accompanying the Fama family on Thursday.



Moses Stewart raising his fist in victory after the murder conviction in the death of his son, Yusuf K. Hawkins, in Brooklyn.

Latest Notion in Budget Talks: Raise the U.S. Deficit Ceiling

By Andrew Rosenthal
New York Times Service

WASHINGTON — White House and congressional budget negotiators have reached a consensus that the federal deficit for the fiscal year beginning on Oct. 1 cannot be cut more than \$60 billion without tipping the economy into a recession.

That assessment has complicated the negotiators' task. Even the most optimistic forecasts suggested that a cut of \$50 billion to \$60 billion would not be enough to bring the deficit down to the \$64 billion ceiling mandated for 1991 by the Gramm-Rudman-Hollings budget-balancing law.

Such a cut would also be more than twice what has been achieved in a single year since the government began the effort to rein in the deficit five years ago.

The consensus that emerged at talks on Thursday, therefore, seemed to increase the likelihood that in addition to cutting spending and raising taxes, the negotiators would have to raise the Gramm-Rudman ceiling.

The negotiations between Congress and the White House began Tuesday, two weeks after President George Bush abandoned his staunch position against new taxes and called for the talks. It has become apparent that administration officials saw negotiations as a way of reversing signals sent early this year, when the White House offered a budget proposal based on economic forecasts that were far too optimistic.

Participants in the talks said that one of the first items on the table would be removing the cost of the government bailout of the savings and loan industry from the formula used to calculate the budget deficit. Even after that, however, the deficit would still be \$65 billion to \$100 billion or more above the Gramm-Rudman target.

The negotiators are thus facing some unpalatable choices: risk a recession, with spending cuts and tax increases totaling more than \$60 billion; raise the target in the budget-balancing law and loosen the only form of discipline that governs the budget process, or both.

The Gramm-Rudman law requires automatic cuts in domestic and military spending if the ceiling that the law sets is not met.

The negotiators have not been able to agree on the basis for bargaining: the estimated size of the deficit from which they will be paring.

According to documents distributed after the talks on Thursday, Richard G. Darman, the White House budget director, said auto-

matic cuts would total \$59 billion to \$74 billion, with as much as 20 percent coming from military programs and 27 percent from domestic spending.

Congressional estimates for automatic spending cuts were even more pessimistic, ranging from \$85 billion to \$95 billion. Neither estimate takes into account the savings and loan bailout will cost in the 1991 fiscal year.

A decision to abandon the rules that have governed fiscal policy for five years by raising the ceiling of the budget-balancing law would allow the government to avoid larger cuts than officials believe the economy can handle, but it would be politically risky.

Such a decision could raise questions in the financial markets about the government's will to control the deficit. It could also affect local elections if lawmakers appear to be reneging on their commitment to control the deficit, and it might encourage the Federal Reserve Board, the U.S. central bank, to raise interest rates.

Several participants in the negotiations said that the two sides had been narrowing their differences but that a large gap remained.

Robert D. Reischauer, the director of the Congressional Budget Office, said the congressional estimate for the budget deficit was still about \$26 billion higher than the White House estimate.

Representative Leon E. Panetta, the California Democrat who is chairman of the House Budget Committee, said the administration seemed more flexible about budget figures than it had in the past.

"If there is any change that we've seen, it is that Darman is willing now to move toward more realistic assumptions," Mr. Panetta said.

The next session of the talks is scheduled for Tuesday.

The People's Choice: Back to the Death Penalty

By E.J. Dionne Jr.
Washington Post Service

WASHINGTON — Capital punishment, which was once outlawed in most of the United States, is becoming part of the fabric of American life again, and scholars who study the question say there is one main reason why: The people want retribution.

Two executions took place Thursday in Texas and Missouri, and a third on Friday in Louisiana.

The growing popularity of retribution as justification for the death penalty marks a major transformation in the debate over capital punishment, a change that has worked against the death penalty's foes. Years ago, when popular support for the death penalty was declining, opponents asserted not only that it was morally repugnant. They also raised complex statistical arguments to challenge the idea that the death penalty deterred crimes.

But in recent years the appeal of deterrence has been supplanted by a desire for what many see as just vengeance. The belief that society has a right to retribution has, in turn, given moral ammunition to the death penalty's supporters.

The courts, notably the Supreme Court, have followed the popular view. On Tuesday, Chief Justice William H. Rehnquist

called for limits on the number of appeals on behalf of those sentenced to die.

The executions Thursday and Friday suggest justices are increasingly willing to impose the death penalty even in problematic cases.

In Texas, Johnny Ray Anderson, 30, was executed for the 1981 killing of his brother-in-law even though he has an IQ of about 70 and his lawyers argued that he suffered from a personality disorder and had inhaled gasoline and glue since the age of 5.

In Louisiana, Dalton Prejean, 30, died in the electric chair for the 1977 murder of a state trooper. Mr. Prejean's case set off an international campaign for clemency organized by Amnesty International. He had been abused by a relative, abandoned by his parents and was deemed marginally retarded and brain-damaged. But the Louisiana governor, Buddy Roemer, declined to grant Mr. Prejean a reprieve.

The third man executed was Leonard Laws, 40. He was convicted of killing two elderly people during a robbery in Missouri and laughed when he was sentenced to death. He later asked that all appeals on his behalf be dropped.

According to several scholars, the increasing acceptability of executions results from a profound philosophical shift in the way Americans view crime, punishment and retribution.

Hugo Bedau, a philosopher at Tufts

University who has spent nearly three decades writing and arguing against the death penalty, said that in the past, the deterrence argument put the burden of proof on death penalty advocates. They had the difficult task of proving statistically that capital punishment would prevent murders.

Now, Mr. Bedau said, supporters of capital punishment can defend their position more simply.

"There is a marvelous thing about the argument for retribution," he said, "which is that you don't have to know anything about the death penalty, about how it works, about how much it costs. The retribution argument puts you on a lofty intellectual level."

Ernest van den Haag, who retired last year as professor of jurisprudence at Fordham University, believes that a case can be made for capital punishment's deterrence value. But he agrees with Mr. Bedau that the retribution case is much easier to make, and much more widely understood.

The new attitude toward retribution coincides with the rise in popular support for the death penalty. This has made it an irresistible issue to politicians, not only to conservatives but also to liberals determined to prove they are tough on crime.

"You can say an awful lot with those two words," said James Q. Wilson, a professor of political science at the University of California at Los Angeles.

The shift in attitudes toward capital punishment is one of the more striking changes in public opinion in the last 25 years. During the early 1960s, support for the death penalty dropped steadily and reached a low point in 1966, when the Gallup Poll found that only 42 percent of Americans favored it, with 47 percent opposed.

From then on, support rebounded dramatically. In 1988, the last time the poll asked about the death penalty, it found that 79 percent of Americans supported the death penalty and only 16 percent were against it. Polls conducted this year by other organizations recorded similar levels of support.

Analysts who disagree about the rightness of the death penalty broadly agree on why it has become so popular.

Mr. Wilson, a conservative scholar who has closely studied the criminal justice system, offers a simple rule.

"Support for the death penalty," he said, "historically moves with the crime rate." Crime statistics largely bear out this view.

The national murder rate rose from 5.6 per 100,000 people in 1966 to a peak of 10.2 per 100,000 in 1980. Support for the death penalty also climbed. The murder rate fell in the early 1980s but has been edging back up and stood at 8.4 per 100,000 in 1988.

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AMERICAN TOPICS

Hippocratic Oath Endures in Medicine

As newly minted physicians receive their doctor of medicine degrees this month and next, many will swear to the Hippocratic oath, which is attributed to Hippocrates, a Greek physician in the fifth century B.C., though the authorship is not certain.

Contrary to widespread impression, doctors are not required to take any oath. The New York Times reports. The Hippocratic oath is seldom studied in medical school even at a time of heightened interest in medical ethics.

For many doctors, the graduation ceremony is their first and only encounter with the oath. Now, many medical leaders contend that it should be given on entry to medical school and used as a departure point for studying the history of ethics and medicine.

The oath covers obligations to colleagues and patients, forbidding breaches of confidentiality. But many medical leaders say

the oath is inadequate for today's world. It proscribes abortion and mercy killing, two practices that now are widespread if much debated.

And because ancient physicians could do so little for patients, they did not share the modern doctor's problem of differentiating what could be done and what should be done. The basic axiom of medical ethics, "above all, do no harm," is often ascribed to the oath. But it comes from another Hippocratic work, "Epidemics."

Short Takes

The Historic Treaty Oak in Austin, Texas, which was poisoned with the herbicide Velpar 18 months ago, is struggling for life. Despite extensive rescue efforts, including digging up and replacing the dirt around its roots, less than half of the tree was strong enough this spring to put out new leaves. And the leaves are dying quickly from the herbicide. The onetime burglar who was convicted of the poisoning was sentenced last week to a nine-year prison term.

Genetic Products Co. of Fremont, Michigan, has dropped guided tours of its baby-food factory, redolent of mashed peas

and steamed squash, after 60 years. Kellogg Co., the cereal-maker in nearby Battle Creek, no longer gives plant tours and neither do the makers of Cracker Jack in Chicago. A spokesman for Borden Inc., the maker of Cracker Jack, said plant tours were "passé." They can cause problems with sanitation and safety and they disrupt the work.

On a Manhattan subway platform one recent evening, a New York Times reader, Charles R. Bergoffin, told the newspaper that he overheard a woman asking a train conductor, "How do I get to Carnegie Hall?" The conductor said he had no idea. Mr. Bergoffin told the woman, "I have been waiting all my life to hear someone ask that question." With that, he began to recite the expected "Practice..." Before he could get out the second "practice," the woman joined in and completed the time-honored enjoinder, "Practice, practice, practice." The woman added, "Thanks for the advice, but I no longer need it. I'm performing with the Philadelphia Orchestra tonight at Carnegie. So now, how do I get there?"

Arthur Higbee

Doctor Didn't Examine Henson, His Mother Says

Compiled by Our Staff From Dispatches
AHOSKIE, North Carolina—The puppeteer Jim Henson talked to his cousin, a doctor, but seemed to have only a cold and was not examined the weekend before he died, according to his mother.

Mr. Henson, 53, the creator of the Muppets, died of complications from pneumonia in New York on Wednesday.

Dr. David M. Gelmont, director of intensive care at New York Hospital-Cornell Medical Center in New York, had said that Mr. Henson saw a doctor over the weekend in North Carolina but that there was no sign of pneumonia.

The doctor was Mr. Henson's cousin. But Mr. Henson's mother, Barbara Henson, said Thursday that he did not examine her son. "Jim saw his cousin in the car, if you call that seeing a doctor," she said. "He does not treat our family. He did not examine Jim. He merely picked him up at a motel and brought him to my house for lunch."

Meanwhile, the federal Centers for Disease Control said that the bacteria that killed Mr. Henson may be more virulent and more widespread than at any other time in the past 50 years. (AP, NYT)

Managua Strike Broke Transition Pact

By Mary Speck
Washington Post Service
MANAGUA—The three-day strike by government workers marked the rupture of agreements on the political transition that were reached shortly after President Violeta Barrios de Chamorro's election in February, prominent

U.S. Jury Acquits Panamanian's Son

Agency France-Press
LUBBOCK, Texas—A jury has acquitted Otilio Lakas, 21, who is the son of Demetrio Lakas, a former Panamanian president, of threatening to kill President George Bush.

Otilio Lakas, an architecture student, faced a possible five-year jail term for making the threat in a discussion with the managers of a pawn shop where he was looking at a gun.

The elder Lakas said in testimony earlier in the day that his son was a victim of misunderstanding of Panamanian culture. "We always talk about killing someone," he said. "Even two or three times. Latins are fiery and outspoken, but it is not taken seriously. It's a way of expressing ourselves."

Sandinistas and government supporters say.

The Sandinistas "agreed to a peaceful transition," said Luis Sanchez, a leader of the national legislature who supports the Chamorro government. "Then they call a strike when the government has barely begun."

"The accord has been broken," said Carlos Carrion, a Sandinista who was mayor of Managua. "We don't discount trying to reach new ones, but we will have to start over."

Union leaders proclaimed the strike a victory.

"We didn't get everything we wanted, but we set a precedent," said Lucio Jimenez, secretary-general of the Sandinista Workers Central.

While the unions may have gained a temporary victory, it has been costly, polarizing relations between the Sandinista Front and the government. Moreover, many of their key demands were unmet.

Although the Sandinista unions demanded and received increases after nearly paralyzing the public sector for three days, they got little else. The issue of job security for public employees, which is what set off the work stoppage last week, remains unresolved.

The unions had demanded that

the government reinstate a civil service law that they say was unconstitutionally suspended by the president. The law was amended in the last days of Sandinista rule to protect the jobs of nearly all public workers, including managers, supervisors and the directors of state-run institutions.

The government agreed to rehire workers dismissed since March 19, including some employees who were let go before Mrs. Chamorro took office. It also agreed to allow unions to take part in drawing up regulations to carry out the law.

But the government majority in the National Assembly will consider changes in the law and is likely to give the government the right to dismiss high-level employees. Many of the supervisors and managers who stand to lose their jobs were leaders in the strike, government officials said.

Union leaders contended that they won a 100-percent salary increase for this month. But the agreement actually gives workers a 25-percent increase on this month's salaries that the government had already raised by 60 percent.

Government negotiators said the 25-percent increase is an advance on next month's salaries, for which cost-of-living increase will be based on only two weeks of inflation during

May instead of the entire month.

Sandinista union leaders said that more than 50,000 workers went on strike; the government put the number at 3,000. Workers took over buildings and prevented non-strikers from coming inside, so it was difficult to calculate how many took part.

Sandinista party leaders admit that the strike was probably ill-timed and may have alienated the public by obstructing vital services.

"The Sandinista Front did not organize this strike," Mr. Carrion said. "It was spontaneous and not very well thought out."

Plane Crash Kills 25 Near Manila

Agency France-Press
MANILA—At least 25 people died Friday when a light passenger plane plunged into a house and burst into flames shortly after taking off from Manila airport, airport officials said.

The police said the Aerolift airliner was on a flight to the southern city of Surigao when it dived into the bungalow, exploded upon impact and split the house in two.

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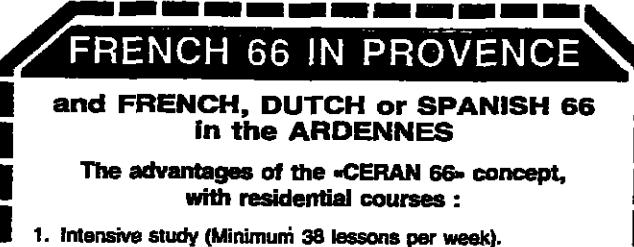
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Heavenly Interruptions

The criminal prosecution of Thomas M. Haynie does not seem likely to make legal history, but it should be of considerable interest to students of American mores. Mr. Haynie, a television technician with the Christian Broadcasting Network in Virginia has been hit with a six-count indictment in which he is accused of interrupting the television transmission of pornographic movies in order to broadcast religious messages.

The offense occurred, according to the Justice Department, on Sept. 6, 1987, when satellite transmissions of "American Ecstasy," which the department describes as "a hard core pornography show," were interrupted several times by messages that read: "Thus saith the Lord thy God. Remember the sabbath and keep it holy. Repent, the kingdom of God is at hand. Repent, the kingdom of God is at hand."

Haynie was charged with interference with a communications satellite. His employers maintain that he didn't do it, saying it would have been technically impossible with their equipment. They agree, though, that it

punitive transfer to a maximum security prison. As in similar cases, the main obstacle to his freedom is the evident belief of prosecutors and police officials that their careers will suffer if Moscow does the decent thing and grants a pardon.

His name is deservedly on the list that the State Department is submitting to Soviet authorities. But Washington has resisted adding the names of conscientious objectors. It is hard to see why. Soviet law makes no provision for alternative service. But a resolution adopted by the United Nations Human Rights Commission in 1987 urged universal recognition of the right of conscientious objection. The United States voted in favor; the U.S.S.R. abstained; those adamantly opposed included Iran and Iraq. Most Soviet objectors are Jehovah's Witnesses; others belong to a pacifist movement called the Trust Group. Pressing for their rights would fittingly honor the nonviolent legacy of a noble dissenter, the Reverend Martin Luther King Jr.

But freeing prisoners is only part of the human rights agenda. The broad laws that stifled speech have yet to be replaced; some new laws, including one just adopted to punish those who "violate presidential honor," have a repressive odor. Given the enormous stresses in a society unused to open dissent, Soviet authorities may revert to old practices and suppress not just ugly bigotry but also the legitimate clamor for independence in non-Russian republics. Washington's proper role is to salute real gains, urge enactment of laws to secure freedoms granted only provisionally — and remember forgotten prisoners.

—THE NEW YORK TIMES.

Interruptions

was a heinous offense. Rules of the Federal Communications Commission governing the airwaves are, as a spokeswoman for the religious network put it, "really sacred."

That probably reflects the consensus nowadays on heavenly matters. They're pretty much a matter for FCC regulation. Nevertheless, no matter how secular and nonsectarian the society, we would have to be prosecuting this case. Imagine trying to get jurors worked up to a high pitch of indignation with a closing argument in which they were urged to protect the God-given constitutional right of everyone to watch people on television doing . . . well, y'know—and to do so without being subjected to sudden blatant and unannounced displays of Holy Scripture right there in their living rooms where there may be children present.

It could be enough to make some assistant U.S. attorney wonder whether winning a conviction was worth the risk of being turned into a pillar of salt.

—THE WASHINGTON POST.

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Buried Messages to Lithuania and Israel

NEW YORK—Most times when a president and his aides send public diplomatic signals, they want headlines and they buttonhole the press to get them. But sometimes they will make important points publicly and hope that the press barely notices.

The intention is for their words to appear far down in the stories, where only a few people, like foreign officials, will notice. As is evident from two recent examples, such buried words often contain revealing policy messages.

For instance, President George Bush grabbed headlines at the end of April by announcing that he would not impose sanctions against Moscow because of its actions against Lithuanian independence. And he also won attention by calling on "both sides" to negotiate. Then he slipped in his little explosive.

With regard to negotiations, he said, Mikhail Gorbachev "has indicated a willingness to do business with the Lithuanians." He also indicated some willingness "to do this" in other words, Mr. Gorbachev was showing more interest in a peaceful settlement than President Vytautas Landsbergis of Lithuania was.

Although this was a hard swipe at the Lithuanians, Mr. Bush did not want Washington or the

media to focus on it, and they didn't. But the remark could not have been lost on Russian and Lithuanian leaders who comb U.S. newspapers for hints of Mr. Bush's thinking.

What they found was this message: The White House is not happy with Mr. Landsbergis, and thinks that he bears the burden of taking the next step toward talks. Having already given reporters more striking news on which to focus their attention, Mr. Bush could risk conveying this subtext.

The State Department employed a similar burial technique a couple of weeks ago, when it said that it was not the U.S. administration's opinion of who should form Israel's next government. Shimon Peres, the Labor Party leader, had just failed to fashion a parliamentary majority. Yitzhak Shamir, the Likud leader, was about to take his turn.

Privately, administration officials acknowledge that they do not want him to succeed. They fear that he will lead a hard-line, right-wing Palestinian elections in the West Bank and Gaza after having won United States support for it.

When Mr. Shamir ridiculed Secretary of State

James Baker for his efforts to begin Israeli-Palestinian talks. The State Department had its opening. And, daily, press briefing, the spokesman waited for a question and then read a statement. Mr. Shamir's rejection of Mr. Baker's plan, the statement read, "will probably mean losing an important opportunity to move the peace process forward." It concluded with the rebuke that "continuing to say no will give us very little to work with."

The words, read by a midlevel official in a routine briefing, did not make network news or front pages in the United States. But the message got through to Israeli politicians: The White House does not want to work with Mr. Shamir unless he fundamentally alters his position on dealing with the Palestinians.

If the press had made a fuss about either signal, the White House could have said that Mr. Bush was simply speaking off the cuff about Lithuania or that he was talking sides to communists. It could have said that the State Department's statement on Mr. Shamir did not represent White House views. But, with or without wide notice, two strong signals were sent — through the back door.

The New York Times.

Maybe He Said 'No Gnu Taxes'

NEW BRUNSWICK, New Jersey — Did George Bush ever really say “No new taxes”? Since that ironclad pledge suddenly appears to have wiggled room, I decided to go to the videotapes.

By turning off the sound and reading the president’s lips, I discovered what America apparently was misled can’t tell you what he actually said, but there are five possibilities.

“No new Texas.” The president reassured his adopted state that it would not be subdivided. The Resolution of Annexation of 1845, which permitted Texas to enter the Union, allowed it to divide itself into as many as five states.

“No Newt access.” Concerned about future relations with a House that is likely to remain Democratic, the president told the opposition that the fiercely partisan Republican whip, Newt Gingrich of Georgia, would not be allowed in the White House again.

“No nude excess.” With the notorious Robert Mapplethorpe exhibit on his mind, Mr. Bush pacified the religious right. He does not want to offend Sen. Jesse Helms, who may suspect that the president has issues as potent as those of Helms. “No nude excess” is the best, the most conservative initiative in the unsheathed sword — a phrase that is an unflashy

Jiang: A Love

NEW YORK — The top man in China has a lovely smile and eyes that go gold. His name is Jiang Zemin. Last June, after the massacre, Deng Xiaoping named Mr. Jiang general secretary of the Communist Party. Shortly afterward, he turned over to Mr. Jiang his own critical post as chairman of the Central Military Commission.

In the hierarchy, this put Mr. Jiang above Li Peng, the hard-line prime minister who ordered the troops to fire on their own. It made Mr. Jiang, in Mr. Deng's words, "the core of the leadership."

Mr. Jiang, a former mayor of Shanghai, is 64, speaks some English and is given to proverbs. Does he have one to sum up Tiansanmen Square? He does: "Much ado about nothing."

But he is no fool. He faced Western cameras on May 2 because he knew that China's image in America was tarnished and that Washington was divided over renewing China's most-favored-nation status as a trading partner. "I hope the U.S. government would consider this matter from a long-term perspective," he said.

Then, while echoing the party line that no other country would have allowed students to paralyze its capital for seven weeks, he sought to distance himself from the terror that took place on June 4 in Beijing.

Chicago Tribune

MAYED

NOW IT LOOKS LIKE
"NO... NEW
PAXLEFLOG?"

PRESIDENTIAL
LIP READING
CHART

offend Senator Jesse Helms, who may suspect his bona fides on such issues as pornography in art. "No nude axes." At his metaphorical best, the president vowed new initiatives in disarmament. Nude, or unsheathed, axes — like naked swords — are powerful weapons of an unleashed military. Here Mr.

Bush signaled to Mikhail Gorbachev to expect an arms reduction initiative at the summit meeting.

"No gun taxes." This was a hidden message of support for President F. W. de Klerk's negotiations with Nelson Mandela. In exchange for a democratic South Africa, Mr. Bush pledges no levy on the impor-

The writer is professor of political science at Rutgers University. He contributed this to the New York Times.

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He dealt with demonstrators in Shanghai in 1986 without lethal force. When asked if he thought that the tragedy in Beijing could have been avoided, he said: "You're talking in a hypothetical sense, but I think that if, at the beginning of the student unrest, we had adopted resolute measures, for example by declaring a ban on assemblies in Tiananmen Square, it would have been easier for us to deal with the problem."

"There were different opinions within the top Chinese leadership," He added. "That is not the case now."

What of the fate of the students who demonstrated last year? Mr. Jings was quick with conciliatory words. "We have adopted a policy of uniting with the students, and there is no such thing as detaining or imprisoning those students for any slight activities that they have taken part in."

He said that 431 people were still under investigation for participating in past protests. He said the first time, 42 were students.

Pressed repeatedly, he would not identify the remaining 389. When we showed him the famous photograph of the young man standing in the

street and stopping a tank, he said he didn't know what happened to him but was certain he wasn't executed. Indeed, he said, "There has been no execution so far as I understand, directly related to the Tiananmen Square protests."

He was asked what effect the breakdown of the socialist system in Central Europe and the Soviet Union might have on China. He replied that there are those in the world who believe that capitalism will destroy Communism. "This is a mistake," he said. "It will never happen. China would never impose its own socialist system on other countries, but Western countries should not cherish the fantasy that socialism will be eliminated from the earth."

Will he allow demonstrations on Tiananmen Square this June? Not "without obtaining prior approval." His tone made it clear that such approval was unlikely. Would lethal force ever be used again? "We have made adequate preparations in stocking of nonlethal weapons in this regard to deal with problems from all the developed Western countries." Then he delivered a proverb: "A fall into the pit, a gain in your wit."

The writer is a correspondent at ABC News. She contributed this comment to The New York Times.

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Eyes on Israel as the Hostage Bartering Drags On

LOS ANGELES — The best that can be said about the release of American hostages Robert Polhill and Frank Reed is that their return was the beginning of the beginning for the others still in captivity, not the beginning of the end.

What appears to be happening is a kind of cautious groping for a process of politically "safe" accommodation, a kind of face-saving "uncompromising" compromise that all parties will be able to claim never happened.

The result of the Polhill-Reed, significant one release process was a significant tactical draw. Although it was not win for everyone (except the Polhill and Reed families), it was a no-loss, too. When lives are in peril, this can be considered, if not progress, at least a gain.

The beginning of the next stage in the release process appears to be a further testing of each party's intentions and attitudes in relation to one of the core issues of the long hostage ordeal: exchanging prisoners.

The complaint by President Hamid Rahnjani of Iran that Washington's lukewarm thanks for Tehran's role in the release of Mr. Polhill and Mr. Reed was "inadequate and unwise" drew a tactful response from President George Bush. He implied a parallel between U.S. national pain and Iran's by expressing some empathy with Iran's periodic expressions

of concern over Iranian dissidents who disappear, or who die in Beirut on the often expressed 400 to 500 Iranian hostages being held.

By continuing the missing officer, Iran has been quite some time not the only nation, and the Muslim sense also to the President of the United States to insist that he not "perceive" release of his was similar to a year ago kidnapping Obaid, the Lebanese Christian time the press who hold hostages to release the.

After Mr. House — its Iranian hostages — said that it was trading its U.S. hostages for captured in the

Call the Hostage Trade by Its Name

about the fate of three Lebanese and their driver arrested in Christian East Beirut on April 4, 1982, and with its deep concern for the fate of Lebanese and Palestinian hostages by Israel. "I would like to dwell on their own lives and on Israel's hostages, by sending a message for those who Westerners are kidnapping victims in Lebanon," justice requires that families in this respect be taken into account. "I have pledged that the hostages would try to be of assistance, so long as this was not regarded as a threat." His comment, whose he voiced nearly in response to Israel's leader Sheikh Abdel Karim Arafat to Hezbollah. At that time, he appealed to "all peoples in the Middle East" forthwith.

"Following the release, the White House deal policy for American hostages and Palestinian Lebanese and Palestinian Israeli servicemen in Lebanon in 1986.

Real Name

It was Washington's essentially uncritical support of Israel's invasion of Lebanon, and then the violent American intrusion into Lebanon's civil war, mostly on Israel's behalf, that turned a fairly happy Lebanese regard for Americans into deadly hatred. Now there is a growing insistence in the United States that because the Israelis played a major role in getting America into this mess, they had better help get it out — with the lives of the six remaining hostage American citizens intact.

The writer, a journalist specializing in the Middle East, was Cable News Network's bureau chief in Beirut, where he was kidnapped; he escaped in 1985. He contributed this comment to the *Los Angeles Times*.

100, 75 AND

1890: Princely Maxims

1915: Gas Against Gas

LONDON — Speaking in the House of Lords this evening (May 18), Lord Kitchener, the British Minister of War, stated that the British and French Governments felt that their troops must be adequately protected against the use of poisonous gases by the enemy by the employment of similar methods. Speaking of the recent operations near Ypres, Lord Kitchener

Leadership Remains A Luxury

WASHINGTON — Ten years from the end of a century this was very good to America, a certain malady of the country. Is it justly feared? Two new studies come to the same answer: America lost ground in the Reagan years to Japan and other countries, but it is richly endowed that it will survive the continuing mistakes of its political leadership.

A new edition of the Brookings Institution's "Setting National Priorities," edited by Henry J. Aaron, calls for novel solutions to all the old problems. But Mr. Aaron summarizes his and his colleagues' views this way: "The United States faces no imminent crises that demand decisive leadership... The nation can muddle through without drastic action." The Brookings director of studies.

Charles L. Schmitz says that the biggest danger is important not because they threaten to bring on immediate economic collapse but because the strife debate on underlying problems such as how to compete with Japan.

A parallel diagnosis comes from Paul Krugman of the Massachusetts

'The U.S. economy is so huge that we can afford to be irresponsible...'

Institute of Technology in "The Age of Diminished Expectations": "American policy could continue more or less the same as in the past for many years without any crisis . . . The U.S. economy is so large, and the sins of economic policy so comparatively venial that it can afford to be irresponsible for a long time."

The cynicism displayed in these comments is probably justified, but it is disconcerting.

In a concluding chapter to the Brookings study, Thomas E. Mann criticizes the annual charade between Congress and the president on the budget. He urges the president to accept a modest boost in taxes weighted toward rich taxpayers. That would tend to lead to lower interest rates and stronger economic growth "and, not incidentally, to a more responsible attitude" by Democrats to mount a populist criticism" of the Republicans.

But, says Mr. Mann, don't hold your breath. More likely, George Bush is inclined to stay the present course which is likely to lead to his re-election in 1992. The underlying assumption is that there will be no major recession. In making the judgment that America confronts "neither lethal threats abroad nor economic crisis at home," the Brookings authors clearly have in mind the doomsday scenario sketched by Paul Kennedy in "Rise and Fall of the Great Powers."

The Brookings' book does not deal head-on with this issue. Robert Z. Lawrence sidesteps, observing that "the United States no longer falls neatly into the category of either leader or follower." He rejects managed trade and other overt forms of protectionism as a solution to problems with Japan.

Yet he offers an important modification of the pure, free-trade position usually taken by Brookings, calling on the federal government to pay about a third of the private sector's costs for "pre-competitive, generic, commercial research."

Is this "industrial policy," formerly disdained by Brookings? The line between "extreme laissez-faire and extreme interventionism," Mr. Lawrence says, is an interview, is hard to draw, and subject to easy abuse. But in the world's real world, he said, private markets have failed to discern the rewards of basic research and development, so Japan and Europe gain enormous advantages. It is a controversial position, and he acknowledges that it is not all at Brookings buy it.

Mr. Krugman, in his slim volume, proposes "an explicit, but limited, interventionist policy," which he concedes is "not as radical as the kind of protectionism or openly advocated nationalism made are much more fixity."

The underlying message of both books is that America faces a web of economic, environmental, trade and defense problems that are too tough for politicians to solve.

"America's leaders be honest about it," says Krugman. "The current brookings, because American voters demand more services from government, and at the same time fight almost all tax proposals. Thus, 'Free-trade' Bush provides over a nation confused and divided on the rather simple issues of free trade, and he seems ill-prepared to face force action where consensus is absent."

The Washington Post

YEARS AGO

the face of the heavy gas clouds had resulted in the exposure of the left flank of the Canadian division, which suffered seriously from these gases.

1940: Pétain Recalled

PARIS — In the most critical hours France has seen since the spring of 1918, Premier Paul Reynaud, putting into application the formula "We must change methods and men," yesterday [May 18] shook up his Cabinet and himself assumed Clemenceau's old post as Minister of War. Edouard Daladier, who has been Minister of National Defense since June, 1936, assumes the portfolio of Foreign Affairs, which M. Reynaud has held since he became Premier in March. By far the most interesting change in the Ministry is the appointment of the eighty-four-year old Marshal Philippe Pétain, who relinquishes his post as French ambassador, at Madrid, to give counsel and advice to M. Reynaud in military affairs.

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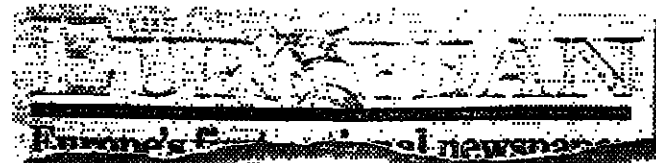
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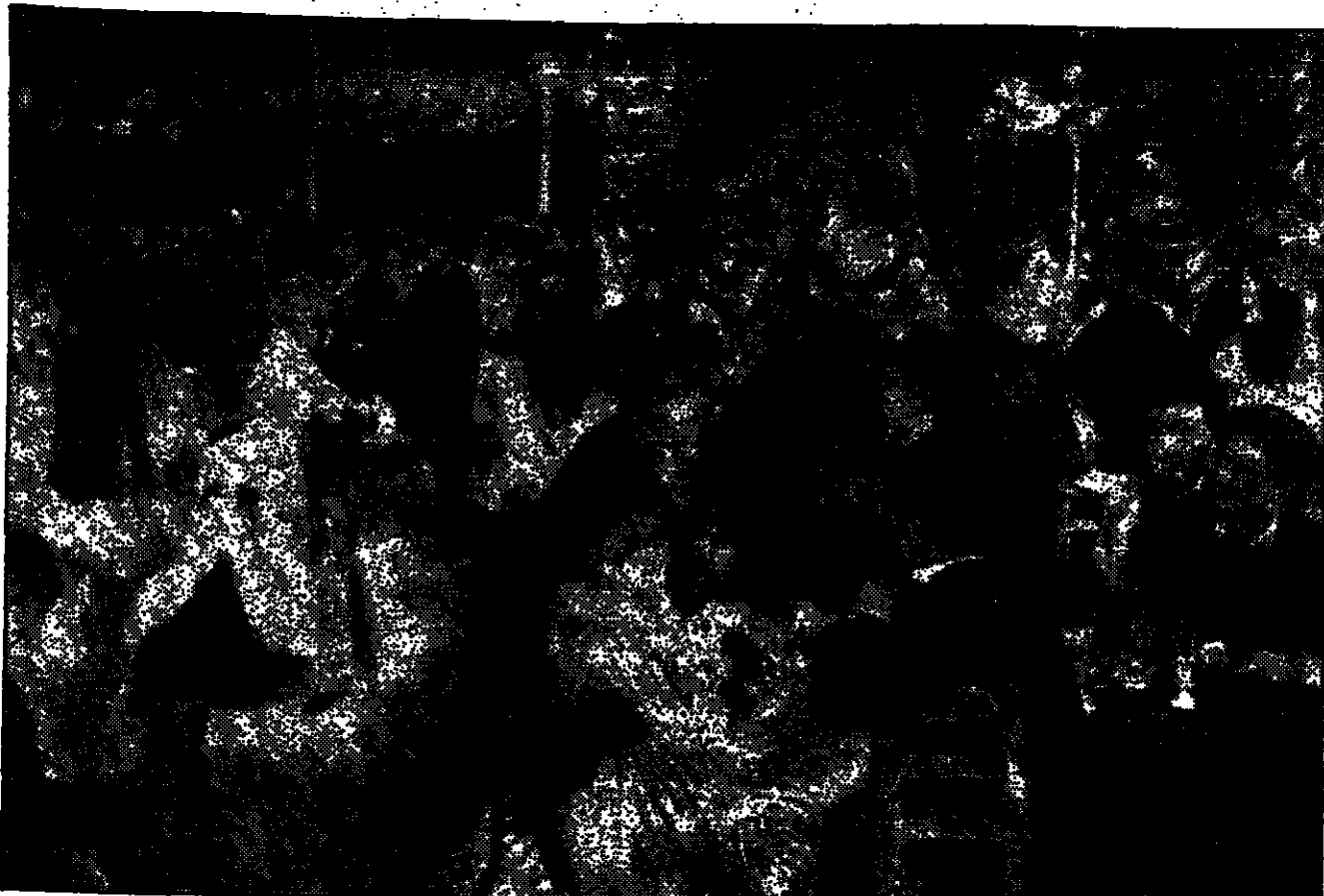
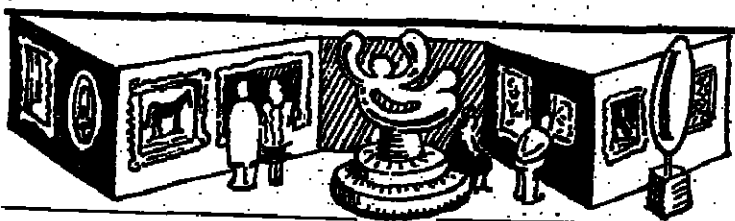
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The version of Renoir's "Moulin de la Galette" that drew a record price for the artist in a New York auction.

Renoir Record: \$78.1 Million

By Souren Melikian
International Herald Tribune

NEW YORK — What seems to be a large preliminary study by Renoir for a famous painting now in the Musée d'Orsay in Paris, "Le Moulin de la Galette," became the most expensive by the artist on Thursday when a Japanese businessman paid \$78.1 million for it. It enjoyed the twin advantages of coming from a famous American collection, the John Hay Whitney, and of carrying the same title as one of the most written-about works of the artist.

To determine which of the two — the Whitney painting, 78 by 114 centimeters (31 by 45 inches), or that at the Musée d'Orsay (128 by 177 centimeters) — was executed first, Sotheby's sent the sale picture to Paris in February to have it side by side with the museum's piece. The problem remains unresolved.

"Unfortunately, this confrontation did not provide a clear answer to the question," the art historian John Rewald concluded. As the Paris version is the more carefully finished of the two, it is plausible to argue that the Whitney "Moulin de la Galette" was the last stage but one toward the execution of the more ambitious of the two works.

Commercially, the conclusion mattered less than the solemnity surrounding such an unusual step, which served to emphasize the rare-

ity of the work. This is the only Renoir picture of a crowd to come up at auction in three decades. The price is gigantic, particularly by comparison with the \$82.5 million paid for van Gogh's portrait of Dr. Gachet in Christie's sale two days earlier. While the latter epitomizes van Gogh's portraiture in his last year, perhaps his greatest, and is a major achievement, this could not easily be argued for the smaller "Moulin de la Galette."

Its success highlights the thirst of the market for the last available work of Impressionism that can be held of great importance. With its feminine figures in period cos-

times, it also typifies the Japanese ideal for a Renoir and satisfies the Japanese yearning to acquire works seen in the West as highly important.

The same yearning for major works by early 20th-century masters resulted in gigantic prices being paid for one of the most admirable Modigliani portraits seen in the open market for years, "Garçon à la Cravate Bleue," sold for \$11.55 million, and for Kandinsky's supremely important "Fugue," painted in 1914 in a purely abstract style, a record for the artist at \$20.9 million. This went to the modern art dealer Ernst Beyeler of Basel, one

of three or four leaders in the field. Both paintings were being sold by the Guggenheim Museum, incomprehensibly parting with key masterpieces from its 20th-century holdings on the excuse that it needs money to buy Minimal art of the New York School. Give more to get less appears to be the latest motto.

Very high prices continued to be paid for second- or third-rate Impressionist pictures. This was often concealed by inflated "estimates," creating the illusion that some works were selling cheaply. The total sold was a huge \$286.1 million, a record for any kind of art sale, with a modest 5 percent unsold.

FOR SALE/SOLD

Rolls record: A British businessman, Charles Howard, paid a record \$2.86 million in Palm Beach, Florida, for a cream 1907 Rolls-Royce Silver Ghost once owned by the Rockefeller family. Howard said that he had been waiting for 30 years for the car to come on the auction market. A spokesman for Sotheby's, which handled the auction, said the price was a record for a Rolls-Royce, but not for the sale of a single antique automobile. It was far below the \$9.8 million paid at a Christie's auction in London in 1987 for a 1931 Bugatti Royale. Buyers from Europe, Japan and the United States spent

nearly \$21 million on other old cars, including seven Duesenbergs, a Bentley, a Packard and a Baby Bugatti.

Soaring Beethoves: A music manuscript by Ludwig van Beethoven and a letter from him to a woman friend broke world auction records for the composer. Sotheby's said. Otto Haas, a London dealer, paid \$528,000 (\$892,000) for the 16-page first movement of the sonata for violin and piano in A Major, a celebrated piece of chamber music. The previous highest auction price for a Beetho-

ven music manuscript was \$93,500 in London in May 1988 for his ninth symphony. An anonymous buyer paid \$94,600 for a letter he wrote in 1811 to Bettina Brentano, a poet and writer.

Vintage wine sale: A jeroboam of vintage 1961 Château Latour wine fetched 9,350 Swiss francs (\$6,700) at an auction in Geneva organized by Christie's. The buyer was a Swiss private collector, who asked that his identity not be disclosed. Christie's said its rare wines auction had been a great success, with sales totaling 797,500 Swiss francs.

Stunning Sculpture of Benin

By Michael Gibson
International Herald Tribune

PARIS — The penetrating beauty and intensity of the art of the African warrior kingdom of Benin is sumptuously revealed in an exhibition at the Dapper Foundation that includes some 170 items. The most impressive of these are the numerous bronze reliefs and sculptures that are on loan from the Museum für Völkerkunde in Vienna. Many date back to the beginning of the 17th century, and the two figures of court dwarves on view have been dated to the 13th or 14th centuries.

One cannot but be impressed by the sense of tragic, perhaps poetic, inevitability that surrounds the fate of this ancient African kingdom.

By the 15th century, Benin, now part of Nigeria, was ruled by warrior kings and existed in an almost constant state of war. The power structure was fundamentally theocratic — the oba, or king, being a sacred figure and providing the link with the realm of the gods.

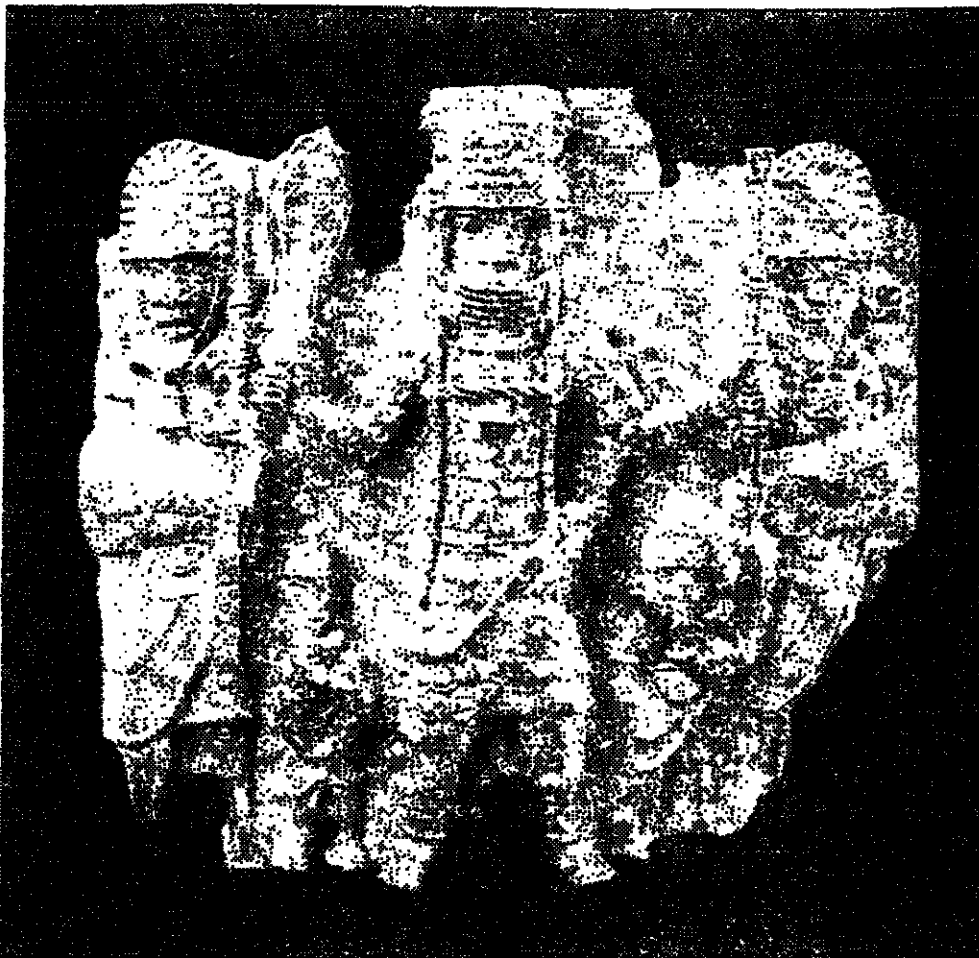
Yet no matter how sacred the oba's power might be, he did not rule alone, his authority being balanced and occasionally challenged by feudal lords and military leaders.

It was to counter this challenge that the obas gradually heightened the sacred aspect of their kingship, to the detriment of the temporal — a choice that would in the long run prevent their successors from adjusting to a changing reality.

Myths formed around their person: It was said, for instance, that Eweare, a 15th-century oba, had stolen the coral beads he and the court dignitaries wore from the water god Olukun (himself the son of the creator). Water, in this case, signified the alien realm of the beyond, into which the king could penetrate without ill effect.

The theme of beads, water and amphibian animals runs through much of the art. The royal ancestors, for instance, are shown wearing head necklaces that encase their chins and sometimes conceal the lower lip. When the oba wore his coral beads and sat upon his throne, he was no longer human, but divine. But the power of the beads had to be recharged from time to time with the blood of human, later animal, sacrifice.

The realm of Olukun was also inhabited by the shirazi, or catfish, a creature that can grow to 10 feet (3 meters) in length and can sometimes be met wandering across land at night in search of food and a better water hole. It is easy to imagine how unsettling such an encounter might be, even without supernatural overtones. But to the people of Benin, the catfish signified the oba's "amphibious" power that allowed him to exist in both realms, the human and the divine.



Relief of a Benin "oba" surrounded by dignitaries and musicians. Left, bust of an "oba" with a necklace that encases his chin.



members of their court while bringing back the practice of human sacrifice.

The end was brutal. An inexperienced British vice-consul took it upon himself to negotiate with the oba. He was told to come back in a month or so, the oba being tied up with ritual matters. The vice-consul undertook the voyage all the same and he and his group were ambushed and massacred, against the oba's wish, by suspicious military chiefs.

A punitive expedition of the British army followed in 1897. When the troops arrived the town was deserted. Its broad, straight streets were filled with the mutilated corpses of the victims that the oba had offered up in a desperate attempt to ward off disaster. After a short time, the oba returned; he was deposed and exiled.

In one of the buildings of the palace, soldiers found, "buried beneath the dust of generations," hundreds of reliefs whose beauty and craftsmanship impressed them. These were taken back to Europe and sold to pay for the cost of the expedition. Those we can see today made their way, through the hands of avid middlemen, first into private collections, and thence to the Austrian museum that now owns them.

"Benin, trésor royal," Dapper Foundation, 50 avenue Victor Hugo, through Sept. 23.

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PARIS 6th

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PARIS 4th

RESTAURANT TACOS
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PARIS 6th

LA CHOPPE D'ALSACE
Oyster bar all year, menu 150 F., continuous service from 12 p.m. to 2 a.m. Parking, rue de l'École de Médecine. 4, Courcelle de l'École. 75006 Paris. Tél. 43.26.67.76.

PARIS 6th

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Of all the Indian restaurants, this is by far the best & most authentic. (Gault & Millau). Closed Monday. 14, rue Dauphine. Tél. 43.26.44.91.

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PARIS 7th

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PARIS 7th

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LE VAUBAN
Brasserie and restaurant, with terrace, across from Les Invalides. Business lunch 180 F./175 F. 7, place Vauban. Tél. 47 05 52 67.

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PARIS 16th

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PARIS 17th

CHEZ FRED
Lyonnais bistro, traditional French cooking. Daily specials. Closed Sunday. 190 bis, Bd. Pétain, 75017 Paris. Tél. 45 74 20 43.

PARIS 17th

L'ECARILLER DU PALAIS
Located near Palais des Congrès. Restaurant specialties include fish, seafood. Open every day. Average menu price 220 F./175 F. Parking "Métropole". 50m. 100 m. des Ternes. 75017 Paris. Tél. 45 74 87 07.

PARIS 17th

LA SALLE A MANGER
Trad. French cuisine, intimate, music setting. Average menu price 220 F./175 F. 11, rue de Montmorency, 75017 Paris. Tél. 43 80 30 52.

PARIS 17th

LE TERNES-PEREIRE
Close to La-Porte-Maillot and le Palais des Congrès. Restaurant/Brasserie, continuous service from noon to midnight. Seafood, fish, tank, open all year. 84, av. des Ternes, 75017 Paris. Tél. 47 05 52 67.

PARIS 17th

LE RELAIS PEREIRE
Gastronomic menu 195 F./175 F. not including wine, served lunchtime and evening. Specialties: fish and south west cuisine. Intimate atmosphere, closed weekends. 27 bis, Bd. Pétain. Tél. 42 27 26 97.

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WALL STREET WATCH

Companies Turn Bullyish On Downbeat Analysts

By Eric N. Berg
New York Times Service

CHICAGO — Sy Jacobs, a Wall Street analyst, knew the executives at Household International Inc. would not be pleased after he advised clients in February to sell the company's stock. What he did not expect was the silent treatment.

Shortly after Mr. Jacobs issued his sell recommendation, Household executives stopped returning his telephone calls. And when Household released its first-quarter earnings recently, Mr. Jacobs, who used to be treated like a visiting head of state at Household, was cut from the distribution list.

"I used to think this was the best investor-relations operation around," said Mr. Jacobs, who works at Maher, Neugebauer & Co. in New York. "Now, I'm in investor-relations Siberia."

But not in solitary confinement.

To hear investment professionals tell it, dozens of other stock analysts have faced fates similar to Mr. Jacobs's in recent years — cut off from the companies they follow after issuing negative reports.

The issue is of concern to more than analysts. Investors want analysts to provide complete and unbiased research. If companies make it standard practice to retaliate for unfavorable reports, analysts might start coloring their research to avoid further intimidation.

"If an analyst can't call it as he sees it, investors will be the ones to suffer," said Marvin B. Roffman, an analyst.

A few weeks ago, Mr. Roffman, who was working at the Philadelphia-based firm of Janney Montgomery Scott Inc., issued a negative report on Donald J. Trump's Taj Mahal casino in Atlantic City. Shortly afterward, Janney dismissed Mr. Roffman.

He says the firm acted as Mr. Trump's wingman.

Edgar Scott, the chairman of the brokerage house, said Mr. Roffman had been let go because he had failed to clear his report with the firm's research director before publicizing it.

THE INCIDENT may have been the first in which an analyst lost a job over negative remarks, but Wall Street professionals say it has become almost commonplace for analysts to face lesser reprisals — from public ridicule and threats of being blackballed to loss of access to corporate information.

Such punishment is entirely legal, and, "unfortunately, it happens with some regularity," said Fletcher Thorne-Thomson Jr., director of investor relations at Browning-Ferris Industries Inc.

"It's inexcusable for a company to cut anybody off," he added. "My own view is that you need to spend more time talking with the people who dislike you than with the people who like you."

Some think the bullying of analysts has already undermined the integrity of research.

"Why do you think 95 percent of the recommendations made by Wall Street analysts are buy or hold?" Mr. Jacobs asked. "Because most analysts are afraid of saying sell. They are afraid of being cut off, and that adulterates the entire system."

In his report on Household, Mr. Jacobs contended the company had failed to account fully for its problem real estate loans. The chief executive of Household, Donald Clark, has indicated that he believes Mr. Jacobs was misguided.

Analysts complain corporate anti-twisting has become such a problem of late that they are forced to speak with forked tongues. In private conversations with institutional investors, they give their frank opinions about a company. But when it comes to expressing their views over their firm's public-address system, the analysts become master diplomats.

Many analysts will no longer say publicly "what is truly

See ANALYSTS, Page 13

Researchers might start coloring their research to avoid intimidation.

Shearson Ponders the Sum of Its Parts

By Kurt Eichenwald
New York Times Service

NEW YORK — In a move that could lead to the restoration of one of Wall Street's most famous names, Shearson Lehman Hutton Inc. is examining a plan to reorganize its four operational units into two divisions, company sources said Friday.

In the plan under discussion, Shearson would have one division for its investment-banking business, for which it is considering reviving the venerable name of Lehman Brothers, and a second unit for its retail activities, expected to retain the Shearson name.

The plan to unbundle the four current operating units at Shearson is intended to make the firm more responsive to its clients.

Shearson, which has been put together over two decades

through the acquisition of other firms, has had difficulty in creating a single culture to appeal to its customers, executives said.

The four operating divisions of Shearson currently are investment banking, capital markets, retail brokerage and asset management.

In the plan under discussion, capital markets and investment banking would be combined, as would the retail brokerage and asset management businesses.

In addition, some of the asset management businesses of the Boston Co., a Shearson subsidiary, would be grouped with the brokerage division.

In many ways, the decision to regroup the firm is a repudiation of some of Shearson's strategy of building itself by the various acquisitions.

In the plans under discussion,

the firm would return some of its businesses to their corporate roots.

Indeed, the result of such a reorganization would be that the firm would create entities strikingly similar in purpose and culture to the former Lehman Brothers investment bank and the former Shearson brokerage, which were once separate firms.

Shearson, when it was known as Shearson/American Express, acquired Lehman Brothers, Kuhn Loeb in 1984.

The merged Shearson Lehman Brothers purchased E.F. Hutton & Co. in 1988.

Executives are discussing whether Hutton, whose name was marred by a check overdraft scandal when it was an independent firm and whose purchase has weighed on Shearson, should be removed from the firm's name.

The discussion about reorganizing Shearson is part of a wide-ranging review of the firm's activities that was begun earlier this year by Howard Clark Jr., chairman and chief executive of the financial services concern.

Mr. Clark, former chief financial officer of American Express Co., Shearson's parent, was named to the position after the resignation of Peter A. Cohen early in the year.

Plans to reorganize the firm were announced in March, at which time Mr. Clark said Shearson would dismiss about 2,000 people and get out of some businesses.

Shearson took a charge of \$630 million to pay for the reorganization. That charge contributed to the firm's loss last quarter of \$915 million, the worst quarterly result in Wall Street history.

In East Germany, an Economic Optimist

Doyen of Capitalism Experts Sees Rising Output With Minimal Joblessness

By Richard E. Smith
International Herald Tribune

FRANKFURT — Erwin Rohde, the doyen of East German experts on capitalism, is less fearful of the capitalist sins of unemployment, inflation and social dislocation than most of his countrymen.

An author, government adviser and professor of finance at East Berlin's Humboldt University for 27 years, Mr. Rohde, 63, has confidence that East Germany will respond to the capitalist incentives of solid money and open markets.

"The system sours people," he said during a visit to Frankfurt. "It kills motivation when you cannot get materials and when you cannot get spare parts, so you go drink beer and play cards."

"But if people think they can buy more than white cabbage and red cabbage, they will be ready to work, both in normal hours and after hours as well."

Erwin Rohde, professor of finance at Humboldt University in East Berlin.

optimistic than many other analysts, who fear that as many as a million or more people will soon be without work.

"The total will rise quickly to 500,000 in the space of six months but will then begin to fall

cars, entertainment electronics and travel, but in proportions that would only fractionally increase current West German inflation rates.

Regarding social dislocation, he said that a number of young

some wage increases in certain light industries, but it can not be done throughout the economy," he added.

East Germany, he said, should not only honor its trade commitments to the Soviet Union, but that both East and West Germany should increase them.

There has been considerable concern that East Germany's extensive trade ties to Moscow may prevent it from fully integrating with the West.

But, Mr. Rohde said, "many East German products will not be ready for competition in Western markets, and the Soviet market will be important."

He also noted that growing Soviet-German trade ties could lead to political concessions from a country that will play a key role in reunification.

Mr. Rohde, who has two residences and whose two daughters have received professional training, has fared better than many East Germans under the old system.

He travels frequently to the West, has lectured at the Sorbonne and Oxford University as well as at Lomonosov University in Moscow, and speaks often in a training program sponsored by Dresden Bank.

His major work, titled "Banks, Markets and Currencies in Modern-Day Capitalism," is entering a fourth printing this month. But the title will shed a bit of its ideological edge, becoming "Banks, Markets and Currencies in Western Countries."

Mr. Rohde sees the chief economic danger as excessive wage demands by East German workers.

"It is the low wages that will be the incentive for investment from the West," he said.

"There might be a need for

gradually and be down to 100,000 a year from now," he said.

He noted that 90 percent of women have traditionally held jobs in East Germany, and he warned that women would be laid off in the next year at a higher rate than men.

But he said that many women might choose not to work, and that higher wages for men might enable families to get by with one income. "Many women used to work in East Germany simply because they had to," he said.

Mr. Rohde also played down widespread fears that a rush of East German consumer spending will stoke inflation for Germany as a whole.

"Do not forget that many East Germans will be worried about losing their jobs and this will put a brake on spending in the beginning," he said.

He predicted that there would be increases in spending on used

people would probably continue to emigrate to the West.

"This is normal and just like the emigration of many Germans in the past to the United States and other places," Mr. Rohde said.

"But the older generation is tied to friends, to parents, to apartments," he said. "They will be willing to work for 30 percent or 40 percent less than they would earn in the West as long as they see that things are improving."

"I think we will reach the living standards of the poorer West German provinces, within three to five years," he said.

Mr. Rohde sees the chief economic danger as excessive wage demands by East German workers.

"It is the low wages that will be the incentive for investment from the West," he said.

"There might be a need for

East Europe's Next Goal: Making the Monopoly Money Real

Restoring trade, and it was often illegal to take money out of a country or to hold foreign currency.

LONDON — Change-minded policymakers in Eastern Europe, anxious to attract foreign investment and put their nations on a new international footing, are speeding up plans to make their practically worthless currencies acceptable in the West.

Hungary and Czechoslovakia signaled this week that currency convertibility was a top priority among their economic reform plans. These countries are following the lead of Poland, whose economic shock therapy was based on restoring value to the zloty.

Even the Soviet Union, where debate over economic change has split government policymakers, is being pushed toward convertibility by the steady breakdown of the long-time pattern of trade based on barter and notional ruble exchange rates.

"The Poles took a gamble freeing up their exchange rate, but it has taken the pressure off the economy," said Ingrid Iversen, economist at American Express Bank in New York. "It can serve as a good model for moving to convertibility."

For decades, the currencies of Eastern Europe have had little relationship to the supply and demand for heavily subsidized goods in the domestic market. Exchange rates were far out of line with international

trade, and it was often illegal to take money out of a country or to hold foreign currency.

But as the former systems fall away, policymakers are adopting currency reform as the key to a successful transition to Western-style free markets.

Two major factors have spurred Eastern Europe into action.

One is the breakdown of the Council for Mutual Economic Assistance, the Soviet-led trading group known as Comecon that was set up in 1949. Now trade within Eastern Europe is shifting to hard currency.

With Wapenhans, the World Bank executive in charge of Eastern Europe, said the Comecon countries were in a transitional phase between barter and trade in convertible currencies.

He said he believed these nations would "move fairly directly onto a convertible basis."

The second factor leading to change is that the countries of this region are finding that Western investment has been hampered by businessmen's fears that their capital cannot be freely repatriated.

"You can only attract investment if there are easy conditions for taking capital out again," said Paul Hare, economics professor at Heriot Watt University in Edinburgh.

The Hungarian finance minister-designate, Ferenc Rabar, said Thursday that he expected to make the forint convertible by 1992, earlier than the timetable put forward by leading economists before the recent elections.

The deputy prime minister of Czechoslovakia, Vladimir Dlouhy, announced Monday that he hoped to make the crown convertible early next year, despite "all the risks that will involve."

Although Hungary has tinkered with currency reform for years, it was Poland's hard-line economic program that has set the ground rules for moving to convertibility.

In an essential first phase that economists call "domestic convertibility," the zloty was devalued to a rate considered realistic and key prices were freed from subsidies.

The result was to restore the purchasing power of the zloty within Poland and substantially curtail the black market.

In a second stage known as "current account convertibility," the Polish government pledged to make foreign exchange available to companies for trade and backed the promise with a \$1 billion boost to reserves funded by Western governments.

Poland has yet to advance to a third stage, or "full convertibility," as in industrial na-

tions where people have free access to currencies and where there are no capital controls.

Economists said they believed few East European nations would manage this before the end of the decade because of the huge structural problems left from the Communist era.

But they predicted the democratic legitimacy being conferred on governments in Hungary and Czechoslovakia will enable them to take the decisions required to put trade on a limited convertible basis relatively quickly.

The Soviet Union, however, presents a different picture.

The unpopularity of President Mikhail S. Gorbachev makes it difficult to introduce price reforms toward a convertible ruble.

At the same time, the disintegration of the Comecon system is forcing Moscow to trade in convertible currencies.

Poland announced Thursday that it would switch its trade with the Soviet Union to hard currencies at world prices starting Jan. 1.

The same will be the case for Soviet trade with East Germany, where the issue has been forced by the upcoming replacement of its currency by the Deutsche mark in July.

subsidiary, Pan American World Airways.

Pan Am said it has "determined to pursue the possible sale of, or other commercial transaction involving, the Pan Am Shuttle."

The Pan Am spokeswoman, Pamela Hanlon, said the shuttle service between Washington, New York and Boston "has been consistently profitable since shortly after its start in October 1986."

She refused to say how much revenue the shuttle generates or what the asking price is.

Pan Am has been in trouble for the past year. Analysts said many of its more profitable business travelers avoided the airline after a terrorist bomb exploded in a Dec. 21, 1988, flight over Lockerbie, Scotland, killing all 259 passengers and crew in the crash. The airline said passengers started to return late last year.

Pan Am stock rose 12.5 cents, to \$2.625 a share, on the New York Stock Exchange.

The Friday announcement followed a Thursday filing to the Securities and Exchange Commission that showed that cash-strapped Pan Am is trying to stave off a crunch by deferring debts and looking for new methods of financing.

"The corporation has suffered recurring losses from operations and has a net working capital deficiency and a capital deficit that raise substantial doubt about its ability to continue as a going concern," said the quarterly filing.

Moreover, it said, the company will need more cash as the year wears on. A pair of airlines scheduled for delivery in June will cost about \$111.2 million. The company expects to make advance payments to the manufacturers of about \$13.1 million this year.

CURRENCY RATES

Cross Rates	May 18
American dollar	1.00
British pound	1.65
French franc	6.55
German mark	1.36
Italian lira	1.36
Japanese yen	163.00
Swiss franc	1.48
Spanish peseta	166.64
U.S. dollar	1.00
British pound	0.61
French franc	0.15
German mark	0.74
Italian lira	0.74
Japanese yen	107.14
Swiss franc	0.67
Spanish peseta	166.64

Source: Reuters. All rates are for 100 units of foreign currency per U.S. dollar. Rates are for 100 units of foreign currency per U.S. dollar.

Other Dollar Values

Currency	Per \$	Per 100
Australian dollar	0.75	75.00
Canadian dollar	0.75	75.00
French franc	6.55	655.00
German mark	1.36	136.00
Italian lira	1.36	136.00
Japanese yen	163.00	16300.00
Swiss franc	1.48	148.00
Spanish peseta	166.64	16664.00

New York rates unless marked as local rates.

Forward Rates

Currency	30-day	60-day	90-day	180-day
American dollar	1.00	1.00	1.00	1.00
British pound	1.65	1.65	1.65	1.65
French franc	6.55	6.55	6.55	6.55
German mark	1.36	1.36	1.36	1.36
Italian lira	1.36	1.36	1.36	1.36
Japanese yen	163.00	163.00	163.00	163.00
Swiss franc	1.48	1.48	1.48	1.48
Spanish peseta	166.64	166.64	166.64	166.64

Source: Reuters. All rates are for 100 units of foreign currency per U.S. dollar. Rates are for 100 units of foreign currency per U.S. dollar.

INTEREST RATES

Extracurrency Deposits

Currency	1-month	3-month	6-month	1-year
American dollar	5.00%	5.00%	5.00%	5.00%
British pound	5.00%	5.00%	5.00%	5.00%
French franc	5.00%	5.00%	5.00%	5.00%
German mark	5.00%	5.00%	5.00%	5.00%
Italian lira	5.00%	5.00%	5.00%	5.00%
Japanese yen	5.00%	5.00%	5.00%	5.00%
Swiss franc	5.00%	5.00%	5.00%	5.00%
Spanish peseta	5.00%	5.00%	5.00%	5.00%

Source: Reuters. All rates are for 100 units of foreign currency per U.S. dollar. Rates are for 100 units of foreign currency per U.S. dollar.

Key Money Rates

Currency	1-month	3-month	6-month	1-year
American dollar	5.00%	5.00%	5.00%	5.00%
British pound	5.00%	5.00%	5.00%	5.00%
French franc	5.00%	5.00%	5.00%	5.00%
German mark	5.00%	5.00%	5.00%	5.00%
Italian lira	5.00%	5.00%	5.00%	5.00%
Japanese yen	5.00%	5.00%	5.00%	5.00%
Swiss franc	5.00%	5.00%	5.00%	5.00%
Spanish peseta	5.00%	5.00%	5.00%	5.00%

Source: Reuters. All rates are for 100 units of foreign currency per U.S. dollar. Rates are for 100 units of foreign currency per U.S. dollar.

Asian Dollar Deposits

Currency	1-month	3-month	6-month	1-year
American dollar	5.00%	5.00%	5.00%	5.00%
British pound	5.00%	5.00%	5.00%	5.00%
French franc	5.00%	5.00%	5.00%	5.00%
German mark	5.00%	5.00%	5.00%	5.00%
Italian lira	5.00%	5.00%	5.00%	5.00%
Japanese yen	5.00%	5.00%	5.00%	5.00%
Swiss franc	5.00%	5.00%	5.00%	5.00%
Spanish peseta	5.00%	5.00%	5.00%	5.00%

Source: Reuters. All rates are for 100 units of foreign currency per U.S. dollar. Rates are for 100 units of foreign currency per U.S. dollar.

U.S. Money Market Funds

Fund	Assets	Yield
American dollar	1.00	5.00%
British pound	1.00	5.00%
French franc	1.00	5.00%
German mark	1.00	5.00%
Italian lira	1.00	5.00%
Japanese yen	1.00	5.00%
Swiss franc	1.00	5.00%
Spanish peseta	1.00	5.00%

Source: Reuters. All rates are for 100 units of foreign currency per U.S. dollar. Rates are for 100 units of foreign currency per U.S. dollar.

GOLD

Currency	1-ounce	10-ounce
American dollar	350.00	3500.00
British pound	350.00	3500.00
French franc	350.00	3500.00
German mark	350.00	3500.00
Italian lira	350.00	3500.00
Japanese yen	350.00	3500.00
Swiss franc	350.00	3500.00
Spanish peseta	350.00	3500.00

Source: Reuters. All rates are for 100 units of foreign currency per U.S. dollar. Rates are for 100 units of foreign currency per U.S. dollar.

Pretoria Says Export Markets Open

CAPE TOWN — South Africa is winning new export markets as the easing of apartheid reduces political hostility overseas, a senior trade official said Friday.

Stef Naudé, director general of the Department of Trade and Industry, said changes by President Frederik W. de Klerk had made exports far easier for the sanctions-hit economy.

"Quite frankly, our problem is not finding markets or producing the goods for those markets," he said. "Lack of capital is usually the problem in new markets."

He suggested this occurred commonly with new trade partners in Africa, Asia and Eastern Europe. Direct trade with these regions, long bastions of apartheid opposition, is growing.

Poland signed agreements with South Africa last month to buy 200,000 tons of iron ore and set up a food venture that it said could soon reach a turnover of \$300 million a year.

Pretoria this year opened a diplomatic mission in Budapest, its first such tie with an East European nation.

South Africa is doing more business in Africa partly because of waning interest in the continent from Western Europe, which is in-

creasingly concerned with East European trade.

But it is also due to international goodwill created by Mr. de Klerk's reforms freeing black political activity, Mr. Naudé said.

Since February, the government has had approaches from West European countries at ministerial level to establish joint ventures, he said.

It has also received trade delegations from black Africa, including ones from strongly anti-apartheid countries.

"They often complain that European countries have stripped them of their natural assets," Mr. Naudé said. "So we try to make our trade with them mutually beneficial, because we as South Africans are here on this continent forever."

Business with Eastern Europe and Africa together account for less than 4 percent of South Africa's total trade, but the private export promoter Saffo, which works closely with Mr. Naudé's department, estimates East European trade could jump tenfold, to \$950 million a year, in five years.

Saffo said exports grew an inflation-adjusted 8.5 percent in 1989, helped largely by unusually high prices for iron

EC Haggles Over Bank Amid Call for More Aid

BRUSSELS — As members of the European Community continued to haggle Friday over the planned European Bank for Reconstruction and Development, European parliamentarians meeting in Budapest were calling for a \$400 billion Marshall Plan-type program to help East European countries rebuild their economies.

Ambassadors to the EC from the 12 member countries remained stalemated on a decision about where the aid bank should be sited and who should head it, according to EC officials.

Officials of 42 countries interested in joining the aid organization, which is to funnel Western funds to Eastern Europe, were scheduled to meet on Saturday in Paris to settle remaining details. One EC diplomat said the chances for accord among the community members were "very thin."

The 12 EC members and two institutions — the European Commission and the European Development Bank — will own 51

percent of the aid bank, and an EC national is to lead it.

The Netherlands and Belgium have led a revolt of seven smaller EC countries against a deal between Britain, France, West Germany and Italy under which the bank would be located in London and run by a Frenchman.

As the aid bank dispute continued, the Council of Europe issued a call for "a significant increase in the volume of international economic assistance in favour of the Central and East European countries, in the form of a coherent 'Strasbourg plan' which could be drawn up within the framework of the Council of Europe."

Anders Björck, President of the parliamentary assembly of the 23-nation Council of Europe, said no decision had been made on a plan to coordinate aid from governments and multinational bodies.

"We call it the 'Strasbourg plan,'" he said. "It's a kind of Marshall Plan which could be used to speed up economic processes in Central and Eastern Europe."

British Retailer Set to Expand French Affairs

PARIS — Marks & Spencer PLC plans to invest a billion francs (\$181 million) in expansion in France, a Marks and Spencer executive was quoted as saying Friday.

The British clothing and food retailer plans to increase the number of its shops in France from eight to 25 over the next five years, Malcolm Hobbs, managing director for Europe, said in an interview with French business daily newspaper Les Echos.

Marks plans to open new stores in Spain, Belgium and the Netherlands, Mr. Hobbs said.

In Britain the company it plans to develop its presence in out-of-town sites, expand its selling space in town centers and increase the number of its food stores from 20 to 60, he said.

Key Industries Cut Back As British Growth Slows

LONDON — Job cuts at key British companies mark the start of a drive to lower costs in a slowing economy and fend off increasing competition, economists said.

The cuts will help dampen inflationary pressures as they push up the unemployment rate, they add.

In April, unemployment rose by a provisional, seasonally adjusted 1,200, to 1,605 million. It was the first increase in more than three and a half years.

British Homes Stores, a unit of St. James's Place, said this week it would lay off 900 workers by the end of the year.

British Steel PLC announced 770 layoffs for next year as its Ravenscroft mill closes.

United Engineering Steel Ltd.'s closure of its Rydboholm plant will cost 1,125 jobs, Hanson PLC will shed 1,240 workers as it rationalizes its tobacco business, and Whitbread & Co. is dropping 1,000 employees.

These moves follow British Telecom's plan to cut up to 5,000 management jobs, British Petroleum PLC's shake-up of 1,250 jobs, and TSB Group PLC's plan to cut 3,000 positions.

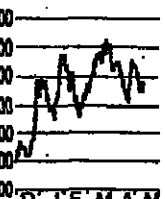
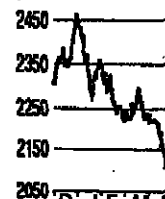
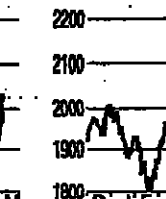
The reasons for the wave of corporate restructuring vary.

Some companies are responding to slack market demand. British Steel cited recent easing of demand and increasing competitive pressures. Other companies, such as British Gas PLC, are streamlining their operations to guard against competition.

Many companies, such as Storehouse, are being forced to take drastic measures as markets slow and because they have heavy debts.

"The problem for many companies has been exacerbated because they rushed to over-gear themselves in the 1980s," said David Owen, an economist at Kleinwort Benson Group PLC.

Investor's Europe

Frankfurt Commerzbank	London F.T. 100 Index	Paris C.A.C. 40		
				
Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	119.10	119.70	-0.50
Brussels	Stock Index	6160.05	6163.50	-0.06
Frankfurt	Commerzbank	2281.70	2249.90	+1.41
Frankfurt	DAX	1843.59	1841.58	+0.11
Helsinki	UNITAS	574.30	570.30	+0.70
London	Financial Times 30	1793.30	1795.70	-0.13
London	FT-SE 100	2269.10	2284.40	-0.67
Madrid	General Index	283.96	285.06	-0.39
Milan	MIB	1056.70	1052.40	+0.41
Paris	CAC 40	2100.17	2103.94	-0.18
Stockholm	Affärsvärlden	1182.70	1184.40	+1.57
Zurich	SBS	649.10	646.60	+0.39

Source: AFP

International Herald Tribune

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

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NASDAQ

SPORTS

Spurs Pull Even With Blazers

Injured Guard Sets Pace With 30 Points and 7 Rebounds

By David Aldridge
Washington Post Service

SAN ANTONIO, Texas — The San Antonio Spurs will get one more chance at the Portland Trail Blazers by virtue of their 112-97 victory Thursday night that tied their best-of-seven Western Conference semifinal series at three games apiece.

The deciding game will be Saturday in Portland.

Both teams were tired after a double-overtime game Tuesday, but San Antonio guard Willie Anderson rose to the occasion with a shooting-high 30 points (on 13-of-19 shooting), with seven rebounds and five assists. It was all the more remarkable because he dislocated his left thumb in Game 5 and had to play with a protective splint.

David Robinson added 24 points for the Spurs, with Terry Cummings scoring 18.

Jerome Kersey led the Trail Blazers with 22 points, but guard Clyde Drexler suffered through a one-for-10 shooting night before being ejected with 3:01 left in the third quarter for fouling flagrantly with his elbows.

San Antonio has lost 12 straight games in Portland since a victory Jan. 19, 1986.

Portland center Wayne Cooper missed his fourth straight game of the series with back spasms. The Spurs had their injuries, too, but

Anderson started, as did point guard Rod Strickland, who had back spasms.

Coming off the double-overtime game, both coaches put unusual lineups on the floor to get their players rest. Portland used rookie guard Byron Irvin for several minutes; the Spurs played veteran center Caldwell Jones the last five minutes of the first half.

Cliff Robinson of Portland was the better Robinson on the floor in the first quarter with eight points and four rebounds to David Robinson's six points and single rebound. But the Spurs were still able to take a 22-19 lead behind Anderson, who scored 10 points in the quarter on five-of-six shooting.

But Portland had livelier legs, which showed in the form of seven offensive rebounds. Drexler had three, which helped because he didn't score a point.

The Trail Blazers also got solid time out of their reserves and led, 27-26, after one period on a jump shot by guard Drazen Petrovic.

San Antonio went with a smaller lineup of David Wingate, Anderson, Sean Elliott, Frank Brickowski and Robinson to start the second. That unit outplayed the Trail Blazers, who had just two field goals the first six minutes of the quarter.

Baskers from Elliott, Robinson, Anderson and Wingate gave the Spurs a 34-29 lead, and after Portland got within two, San Antonio scored nine straight. Robinson's dunk after a blocked shot by Kersey gave the Spurs a 41-32 lead, and Robinson made it an 11-point advantage with free throws at 5:35.

Kersey finally broke the drought with a jumper, and the Trail Blazers stayed around 10 points down the rest of the half.

Drexler finally scored on free throws with 1:53 left in the half, but Portland was still down, 48-40.

Two layups by Anderson before the half ended — the second started with a Robinson rejection of Drexler's shot — gave the Spurs a 52-41 halftime lead.



Police escort Portland's Clyde Drexler from the court after he was ejected for elbowing an opponent.

Black Football and Track Stars to Seek U.S. Bobsled Slots

NEW YORK — National Football League players Herschel Walker and Willie Gault and three champion hurdlers will try to make the U.S. bobsled team for the 1992 Winter Olympics, according to a published report.

Gault said he, Walker, Edwin Moses, Roger Kingdom and Renaldo Nehemiah would begin training after the 1990 NFL season. The National, a sports daily, reported.

Gault, a former hurdler who now plays for the Los Angeles Raiders, made the U.S. bobsled team in 1988 but did not compete in Calgary because of an intrasquad controversy.

Since placing third in 1956, the United States has not won an Olympic medal in the bobsled. Gault said he wanted to improve that showing and bring more black athletes into the sport.

"Before the '88 Games, I became aware of the color factor in the Winter Olympics," Gault said. "I raised the issue by going out for the team. And when people see athletes like Herschel Walker and Edwin Moses, it will encourage more minorities to get involved."

Moses won the 400-meter hurdles at the 1976 and 1984 Olympics, while Kingdom won the 110-meter hurdles at the 1984 and 1988 Games. Kingdom recently broke Nehemiah's eight-year-old world record in the 110-meter hurdles.

A spokesman for Gault, Travis Clark, said the five athletes would compete for three of the four "pusher" spots on the team. The two athletes who are beaten out will be alternates.

Gault and Walker will move to the U.S. bobsled training facility in Lake Placid, New York, after the NFL season to train, Clark said.

SIDELINES

Quarterback Harris Goes With CFL

CHARLESTON, West Virginia (AP) — Major Harris, the former West Virginia quarterback, will sign a \$130,000, one-year contract with the Canadian Football League's British Columbia Lions, his agent, Ed Abram, said Friday. Harris turned down a matching offer from the Pittsburgh Gladiators of the Arena Football League.

Abram said the Lions wanted him to sign a four-year contract. Harris wanted a shorter obligation because he plans eventually to play for the National Football League's Los Angeles Raiders, Abram said. "The idea is to go to Canada and get some experience," he said.

Cubans Will Attend Goodwill Games

INDIANAPOLIS (Reuters) — Cuba's track federation has accepted an invitation to send a squad to the Goodwill Games in Seattle in July. The Athletics Congress, the U.S. track body, has announced.

A 21-member Cuban squad will include Javier Sotomayor, 22, the first man to reach 8 feet (2.43 meters) when he set the world high jump record in Puerto Rico last July, and Ana Quiroz, 27, the top-ranked woman in the world over 400 and 800 meters.

For the Record

The International Skating Union says Denver has been named the host city for the 1992 World Short Track Speed Skating Championships. (AP)

Herman Cohen, president of Pimlico Race Course in Baltimore from 1952 to 1986, died of cancer Thursday at his home in Baltimore. He was 95. Cohen and his younger brother, Ben, who were contractors in Baltimore, were among the leading members of a syndicate that purchased Pimlico from the Maryland Jockey Club in 1952. (NYT)

Quotable

• Dave Winfield of the California Angels on his career with the New York Yankees: "It's over. And I feel good. I left a lot there, but I'm not going to sit and lament. You pull down the shade on the last nine years and go forward." (NYT)

• Trainer Steve Miyadi, whose horse Music Prospector drew a post position next to Land Rush in Saturday's Preakness Stakes: "The one thing I'm really worried about is that this horse [Music Prospector] loves Land Rush. He's got a crush on him and he's drawn next to him. That worries me." (UPI)

WORLD CUP WARMUP

Juventus Pays \$13 Million, A Record, for Italy's Baggio

TURIN, Italy (Reuters) — Juventus, the UEFA Cup winner, said Friday that it had bought midfielder Roberto Baggio, 23, from the Florence club Fiorentina for 16 billion lire (\$13 million), the highest soccer transfer fee ever.

The sum was lower than the 25 billion lire Baggio's agent, Antonio Caliendo, had said the Florence club would get but still eclipsed previous amounts paid by Italian clubs. A record \$8.5 million was paid by AC Milan for Dutchman Ruud Gullit, who moved from PSV Eindhoven in 1987, and \$7.5 million was paid by Napoli for Argentina's Diego Maradona in 1984.

In Florence, hundreds of angry fans gathered outside Fiorentina headquarters Friday in protest, just as they had the night before.

Baggio told a news conference that he was shocked to learn he was worth so much money. "The value they have put on me worries me," Baggio said.

Fiorentina said in a statement it had been forced to

sell Baggio, considered Italy's most talented young player, for financial reasons. The club said it had lost an estimated \$15 million in the last year because World Cup rebuilding work at the Florence stadium had cut crowd capacity.

Genoa Mobilizes Security

GENOA, Italy (Reuters) — A 1,000-strong special police force will be mobilized to control English and Dutch soccer hooligans passing through Genoa on their way to World Cup matches in Sardinia, officials said Friday.

The main task of the force will be to discreetly shadow English and Dutch fans before and during the 12-hour ferry trips.

The turf of Rome's Olympic soccer stadium will be dug up and sold to souvenir hunters after the World Cup final. Italy's National Olympic Committee said the pitch would be divided into 306,000 numbered pieces, priced at \$166 or \$88 each. (AP)



U.S. soccer team with Mayor David N. Dinkins of New York.

A Glitzy Sendoff for the U.S. Team

By Michael Janofsky

NEW YORK — They were filming a movie in lower Manhattan's Little Italy on Thursday — "Godfather III." But that's not why the mid-afternoon traffic on Mulberry Street was blocked.

Standing out in the middle of the street, below the banners, the flags and the gawkers, was the U.S. national soccer team, about to join a party to honor its forthcoming participation in the 1990 World Cup finals next month in Italy, and to unveil the team's uniforms.

Talk about how far soccer has come in the United States: players were signing autographs as they awaited their cue to enter the restaurant, SPQR, where the party was to take place.

Inside, once the rock band took a break, the players received telegrams from President George Bush and Governor Mario M. Cuomo.

David N. Dinkins, the mayor of New York,

presenting the captain, Michael Windischmann, a proclamation designating Thursday as "United States National Team World Cup Day."

The team thanked the mayor by giving him a jersey that all the players had signed.

The new uniforms, supplied by Adidas, were quite snazzy — white with blue trim. Once they were shown, dancers wearing other products from the manufacturer began gyrating to loud music.

Then a video the team made recently was shown on two large screens. It combined clips from games, casual shots of the players and scenes on a California beach.

As a group, the U.S. team is optimistic, having fixed, as its goal making the second round of the tournament.

"To get to the second round, we need every advantage we can get hold of," said Tab Ramos, one of the midfielders. "We have to play well every game, then get a couple of breaks."

BOOKS

THE TONGUES OF ANGELS

By Reynolds Price. 192 pages. \$17.95. Atheneum, 866 Third Ave., New York, N.Y. 10022.

Reviewed by Jay Tolson

REYNOLDS PRICE goes as far out on the limb of sentimentality as any serious writer would dare. Any more and he would risk being called maudlin. That daring, that artful insouciance, appear nowhere more obviously than in the atmosphere and settings of his novels — the rural and small-town South of roughly the second third of the 20th century.

Price sets most of his newest nostalgic tale in a boy's summer camp in the Carolina mountains. His narrator, a successful, middle-aged painter, recalls a relationship that he, then a counselor, formed with a 14-year-old camper, a brilliant but tormented young boy named Raphael Noren, during the summer of '54. This relationship — which ends with the death of the boy — forces the narrator, Bridge Bosmer, not only to come to terms with his father's recent death but to formulate the terms of his life and work.

If all that were not enough, there is a cast of supporting characters — including the camp director ("Chief"), his wife, and assorted camp personnel — who would be prime targets for withering irony in most books written for a postadolescent readership. Yet none is. In fact, by novel's end,

these and other potential figures of fun stand convincingly tall.

Certainly, it sounds corny, or worse, but the appearances deceive. They are only the luminous side of the novel. The atmosphere of wholesomeness, good feeling and communal sustenance works as a beguiling (but not dishonest) counterpoint to something quite terrifying. Ultimately, the way in which an artist comes to understand and accept the design of fate, and then to subordinate his understanding in his art, is the novel's demanding theme. Very serious indeed.

Without ever being tedious about it, Price deals through this novel with two necessities of art: vulnerability and openness, on the one hand, and resolution and discipline, on the other. The former is the result partly of temperament and partly of experience.

The death of Bridge's father has unmoored the young artist in unpredictable ways. He almost falls in love with a young mountain woman whom he briefly encounters in Thomas Wolfe's Asheville home. He quickly recognizes his impulsiveness as folly, but he knows that he needs to be brought back to earth. But how? Partly through the camp itself, through the discovery of a community that sustains.

But community is not enough for the artist, whose task is ultimately solitary. The relationship he forms with the young boy, with Rafe, is just as crucial. For Rafe, too, is an artist, a dancer who

transforms the Indian Ghost Dance that he learns at camp into a solo performance of terrible intensity and beauty. But even Bridge can see that the flame of Rafe's genius burns too intensely. He learns of the family tragedy that lies partly behind the boy's gifted fury.

Rafe is impulsive, deeply intuitive, admitted by his peers, but finally a loser, trapped in nightmare memories. The camp has given him everything it can — a great deal, it turns out — but not even the best efforts of the Chief and his wife can turn this destiny from its inevitable end.

The only solace Rafe finds is in the ecstasy of dance. Bridge sees that. The two artists look at each other with mutual respect, even with awe. They learn from each other. Rafe admires Bridge's steady discipline; Bridge, Rafe's daring and intensity. And partly because of the challenge of Rafe's art, Bridge is driven even harder in his painting.

As Bridge masters this challenge, events move toward their inevitable conclusion, but in a way that seems less pathetic than nobly sad. We are presented with a communion between two kindred spirits before the one that is too vulnerable, too tenuously in this world, must depart. A brush with a sacred messenger — no ordinary tale out of summer camp.

Jay Tolson is editor of *The Wilson Quarterly*. He wrote this for *The Washington Post*.

BRIDGE

By Alan Truscott

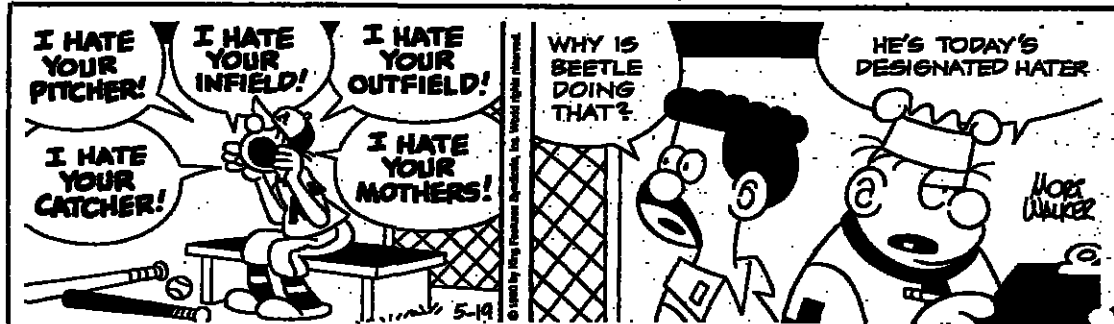
THE diagrammed deal aided Piotr Gawrys of Poland and Eliahu Shoufel of Israel in a recent victory, and shows that they have some complex bidding methods. There is a modern tendency to employ opening bids with multiple meanings, and here Shoufel's two no-trump bid promised a weak one-suited minor suit hand or a very strong major one-suiter. Judging by this example, it bears some resemblance to the Sims three-bid of 60 years ago, which was so strong that it was almost never used in play. Three clubs asked for clarification, and when South proved to have the strong variety with spades, North showed slam interest with a cue-bid in clubs. The redoubled showed the ace, and the partnership proceeded to the sound six-spade contract. Against normal breaks South can develop hearts without trouble, but he is defeated here, and was at some tables. If West leads the diamond king. At some tables he failed by two tricks, since he had to attack hearts before drawing trumps to be sure of succeeding against a 4-2 heart split. The diamond king is most unlikely to hurt the defense, with the ace marked in dummy, but luckily for Shoufel, West routinely led a club. Now a loser-on-loser play was available. After winning with the ace, South cashed the ace and king of trumps followed by the ace and king of hearts. He then ruffled a club, led the heart jack and discarded a diamond loser. The heart queen was the only trick for the defense, and the large profit on the deal represented about half of North-South's eventual margin of victory in the event.

West led the club two.

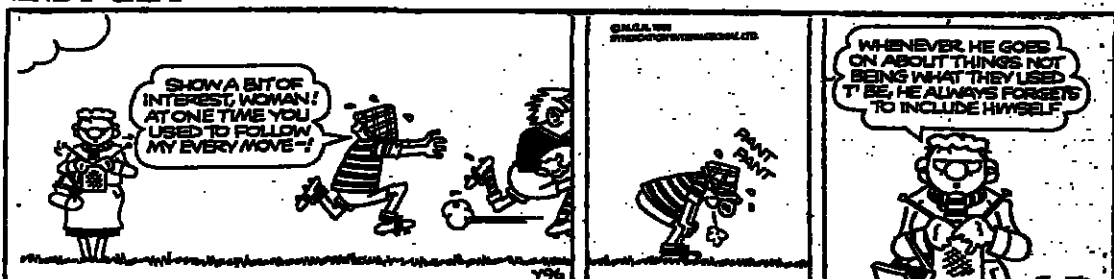
PEANUTS



BEETLE BAILEY



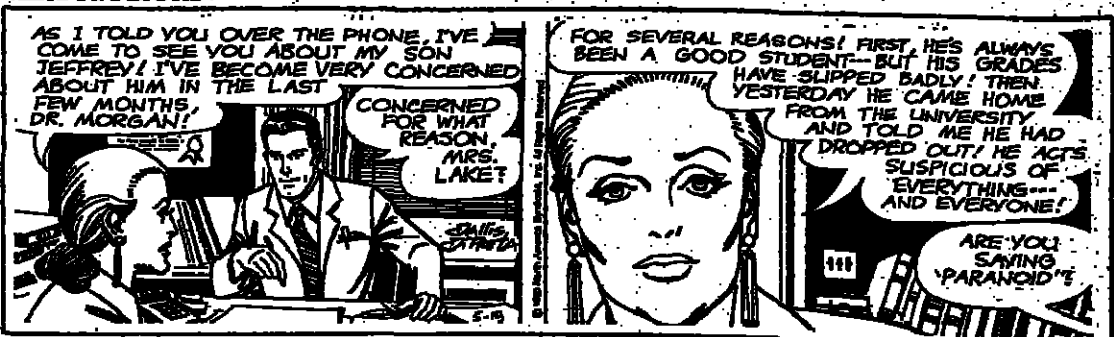
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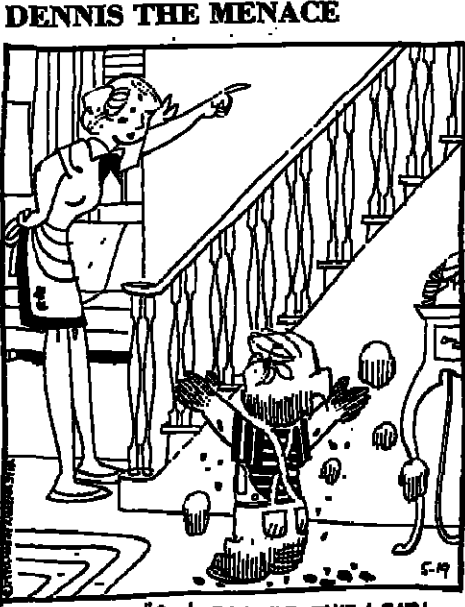
GARFIELD



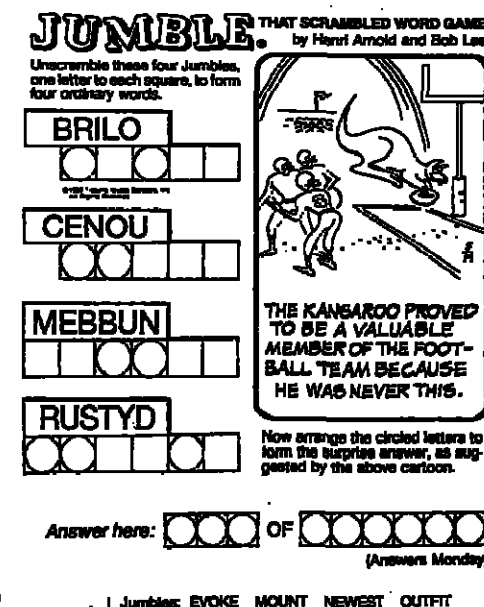
DOONESBURY



DENNIS THE MENACE



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هكذا من الأهل

